

under fellow, the more difficult it will be for communism and socialism to secure a foothold.

"Some time, somehow, the problem of unemployment will be answered. What is necessary now is for business to recognize that primarily the problem belongs to it and not to the State.

PUTS THE PROBLEM UP TO INDUSTRY ITSELF

"Industry has worked out and taken over the problem of compensation for its own accidents. So it should work out and take over the problems of labor turn-over and involuntary unemployment. Industry should evolve its own forms of prevention and put the burden of this on its own economic surplus. Some organizations, like the General Electric, are already doing this. With our machine economy and labor-saving devices we have the right, if our economic system is sound, to expect the burdens of labor and the uncertainty of employment largely to decrease. The day should not be far off when men and women need work fewer hours and suffer no loss of income.

"But now people are becoming tired of hearing about justice and liberty and equality and the old conjure words. They want to know how to get a job and how to prosper. Business statesmanship should find and show the way.

THINKS WE WILL EMERGE WITH LESSON LEARNED

"I entertain no doubt that in due course we will find a way out of our difficulties and emerge from the present crisis all the better for it. Let us not accept any gospel of despair. Our ultimate prosperity is as certain as the rise and fall of the tides. In spite of evidences to the contrary, the times are not completely out of joint. If we have had to face facts showing our weaknesses, let us not overlook facts showing our strength.

"It can not be that a nation should be poor because it is too rich, and that we should long have an excess of business disaster, unemployment, and even suffering, when we have an excess of commodities, of production, of money, and of real wealth. Something has gone wrong temporarily with our economic and financial and political machinery, or with its engineers, or both, but it is foolish to think that the whole plant has been wrecked or permanently crippled.

"The foundations on which real prosperity must build are sound and will prove even more sound because of our present experience. Here is a Nation of 120,000,000 people with an infinity of wants and desires; ambitious to succeed; believers in the gospel of work; filled with the spirit of courage, initiative, and enterprise; determined to maintain and lift the standards of life; willing to labor, to buy, and to sell, to use the railroads and utilities, to spend their substance on luxuries and diversions; and living in a land of unlimited resources and opportunities.

OUR FATE INTERLOCKED NOW WITH EUROPE'S

"He must have little faith in his country or little vision of the future who can not foresee a prosperity greater than ever.

"It will, I believe, be a prosperity allied with the economic restoration of Europe. The world now is too closely knit together for even this great land to contemplate its own destiny alone. The countries of Europe are our debtors. We will not prosper if they are prostrate. Our permanent economic progress involves helping them, and the time is near when further consideration should be given to the status of our international debts.

"The question need not be approached on the basis of world responsibilities alone, although certainly some measure of international leadership is required of a country with the power and the resources of our own. But even on the basis of profit and loss we should not forget that sometimes present loss may be ultimate profit.

APPEALS FOR RESPECT FOR RIGHTS OF OTHERS

"I must conclude. In doing so, let me say that, after all, economic values are not the whole of life. It is well to remember that in the last analysis most of the major ills of society are probably due less to bad economics, bad politics, bad government, or bad laws than to such elemental weaknesses as human greed for wealth and power and human indifference to the rights of others. The catchword of the hour is "economics." We speak of economic laws as if they were part of the order of nature, even though there is almost universal disagreement as to what they are. Perhaps we test life too much by the economic yardstick.

"Anyway, I enter upon my fourth term as governor with the conviction that in spite of drought and depression our future will be even more glorious than our past. There is so much that can be done to make this a greater and better Nation, and more and more is being done. In the doing of it I like to feel that Maryland is both an example and an inspiration.

FINDS MARYLAND TRUE TO IDEALS

"Our people have always stood for the things that are worth while, and have been steadfast for those ideals, social and political, which gave birth and nurture to this great Republic. We take pride in our traditions and love of freedom, and in the sanity, common sense, courage, and conservatism which we inherited from our forebears.

"Here we believe that government should mind its own business. We believe that the people who are least governed are best governed. We think you can not make people temperate by passing a prohibition law and that you can not make industry prosperous by putting up a tariff wall which drives manufacturers to other countries, so that they employ foreign labor there instead of domestic labor here.

"We do not believe that any makeshift economic measures which attempt to lift up any part of the population by its boot

straps constitute proper governmental action. Such things will always fail.

"In Maryland we think that the people should be free to work out their own problems. What good government ought to do is see that everyone has equal access to the door of opportunity.

CHAMPIONS A "HARMONY" OF THE WHOLE PEOPLE

"Never before in the history of our country have we drifted so far away from the principles of good government and the conceptions of our organic law. This will-o'-the-wisp has been luring us on each day, granting the Government more and more power over our daily lives, and unless the process is stopped it will some day destroy our whole governmental edifice, which was builded to assure happiness at home and peace abroad.

"So Maryland has much to offer in its tried and tested political philosophy, because, after all, it embodies those virtues which, with unity and harmony, make for greatness in State or Nation.

"One hears much about harmony and unity and cooperation in political parties, but the real effort to which mankind should address itself is harmony and unity and cooperation among all the people of the State and Nation—between capital and labor, between city and country, between industrialist and farmer. Let us work and pray for the dawn of that day."

RECESS

Mr. SMOOT. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Saturday, January 17, 1931, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 16, 1931

The House met at 12 o'clock noon.

Rabbi Julius Mark, Vine Street Temple, Nashville, Tenn., offered the following prayer:

Humbly, reverently, fervently do we approach Thee, O Father of us all, to invoke Thy blessing upon the Members of this House, chosen by millions of their fellow citizens to guide and guard this great Republic. Cognizant of their heavy responsibilities and recognizing their human limitations, they turn their hearts to Thee for inspiration and their minds for wisdom. In the spirit of the glorious traditions of our blessed country, may they, true to their ideals, dauntless in their battle against injustice and wrong, ever be guided by this twofold motive—the welfare of the people of the United States and amity and good will toward all the nations on earth.

Earnestly we ask Thy blessing upon him who by virtue of his exalted office is the symbol of American ideals, the President of the United States. Bless Thou his counselors and advisers; bless all who have won the confidence of their fellow citizens and been intrusted with the sacred obligations of public office. May they deal honorably, legislate wisely, and labor unselfishly, so that justice may never be withheld or delayed, truth may ever be our goal, and love unite the hearts of all Americans into a glorious bond of brotherhood. For to-day, as ever, "righteousness exalteth a nation."

Bless Thou our country, O God, that it may ever be a land in which a free people is worthy of a free government, a government which, in the words of the immortal Father of our Country, "gives to bigotry no sanction and to persecution no assistance," a government loyally supported by a law-abiding citizenry. Guided by leaders with strength of character, breadth of vision, unbounded love, and unimpeachable integrity, may our Republic go from strength to strength, a blessing to ourselves, a shining example of liberty and democracy to all the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal Clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9991. An act to fix the salary of the Minister to Liberia.

NATURAL RESOURCES OF SOUTH CAROLINA

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks concerning the natural resources of South Carolina and to include therein a short extract from the recent annual message of the Governor of South Carolina relating to that subject.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I crave a few minutes of time to call attention to the discovery of marvelous and rich resources in South Carolina.

When I was a schoolboy I was deeply impressed in the study of geography with the fact that other States have abundant supplies of coal and South Carolina has none. I was also struck by the fact that many other States had abundant supplies of oil and natural gas, which have made their citizens very rich, and yet South Carolina had none. It was a striking fact that many other States had rich and abundant stores of precious metals, like gold and silver, copper and lead and zinc stored in the earth, and yet South Carolina had none. Other States had abundant supplies of virgin forests and South Carolina's forests are nearly all gone. Other States had rich deposits of sulphur and of salt and of marble and of limestone, and yet South Carolina had none.

GREATER POWER THAN MUSCLE SHOALS

But, Mr. Speaker, in the last few years we have begun to realize that South Carolina has other resources as valuable as any of those mentioned if we but improve them. In the first place, we have several large rivers crossing our State and descending from their mountain sources, across the Piedmont belt, and finally slowing up in the coastal plain, from which they pass into the sea. Along these rivers, from their sources to their mouths, are numerous places where hydraulic electric power is now being generated in vast quantity, and there are many more places where water power can be economically developed. We have all heard a great deal for the last 12 years about Muscle Shoals, and it has been held up as one of the great water-power sources of the world. Yet the world has heard very little of the fact that in South Carolina we are just completing near Columbia, S. C., a water-power project known as the Murray Dam on Saluda River where there will be available about 240,000 primary horsepower. When we realize that there are only about 88,000 primary horsepower at Muscle Shoals we see by comparison that this \$15,000,000 project at Columbia, S. C., which cost only about one-third of the Wilson Dam, will have three times as much primary power as the Wilson Dam. Combining these two ratios, we see that for every dollar expended in South Carolina on this water-power project we develop nine times as much primary power as was developed by the Government at the Wilson Dam on the Muscle Shoals. That is some commentary upon the efficiency of private enterprise when compared with a Government enterprise.

But, Mr. Speaker, more recently still have we discovered another natural resource in South Carolina, which, if wisely and energetically developed, will place us in the forefront as to prosperity and progress and wealth. This resource consists of the high percentage of mineral content taken up by plants growing in South Carolina soil. It is a fact that the mineral contents of the soils differ in all parts of the world. As a matter of fact, the soil differs in different counties as well as in different States and in different countries. Now, it so happens that fruits and vegetables produced in South Carolina soils take up through their roots a very high percentage of valuable minerals essential to the building of healthy human bodies, to the preservation of health, and to the restoration of health where health has declined due to the absence of these essential minerals.

Recently there was established a commission known as the South Carolina National Resources Commission, headed by Dr. William Weston, of Columbia, S. C., but the laboratory work is conducted by Dr. Rowe E. Remington at Charleston,

S. C. This laboratory for the research of food is said to be one of the best equipped of its kind in the world. It is conducted in connection with the South Carolina Medical College, an old and highly reputable institution. Doctor Remington, with a staff of able assistants, has analyzed hundreds of samples of foods from all parts of our State and of other States. He has invited the chemists of other States and other countries to come to his laboratory to check his analyses and to verify or disprove his conclusions. I am informed that several such eminent chemists have visited his laboratory, among them a distinguished scientist from Great Britain, and that all of these visitors have approved of his methods, have checked over his conclusions, and have confirmed his findings.

Dr. William Weston, the director of this commission, is a physician of wide experience, of great natural ability, and of ample scientific training. His standing is vouched for by the medical profession not only in South Carolina, but in the United States. He says that he is willing to stake his reputation upon the truth of the conclusions to which the commission has arrived. I can not commend too highly the magnificent service which Doctor Weston is rendering to South Carolina. The secretary of this commission is Mr. John K. Aull, a former newspaper man of ability and training with a fine enthusiasm for the rehabilitation of South Carolina agriculturally and economically.

THE NEW ROAD TO PROSPERITY

The revelations of the South Carolina food research laboratory point the way to the regeneration of South Carolina's agriculture. It means that in addition to cotton, and in part by way of replacement of cotton, it is possible for the South Carolina farmers to sell in vast quantities, food supplies for the great industrial centers of the Nation. With about 65 per cent of the population of the United States living in cities and in suburbs and, therefore, dependent upon the produce of farms for their support, a great market is opened up for food supplies. But some one may object that in the growing season of the spring and summer fruits and vegetables are abundant everywhere and that, therefore, the prices are low and when shipped to the markets in refrigerator cars, the freight charges often amount to more than the proceeds of the sale of the commodities themselves. That is too often true, and it suggests a different line of procedure and a different way of marketing.

Instead of marketing our fruits and vegetables during the growing season, when fruits and vegetables are abundant everywhere and therefore the prices low, we must convert our perishable fruits and vegetables into a practically non-perishable form. How can that be done? The answer is very simple. We must put up in cans, according to established sanitary and scientific methods, our fruits and vegetables and store them until the next winter and then offer them in carload lots and in attractive form to the wholesale merchants of the great cities where millions and millions of people must eat three times a day.

GOOD DEMAND AT GOOD PRICES

Then these huge populations gathered in the congested and commercial centers learn that South Carolina produced fruits and vegetables that contain such a high percentage of such minerals as iodine, manganese, iron, potassium, and other health-giving minerals as to insure against disease, if consumed in sufficient quantities for a sufficient length of time, and to aid in recovering from disease; then these millions of people, when they go to their retail grocers for their daily food, will ask for South Carolina grown fruits and vegetables. That means that South Carolina produce will always be in demand and will, therefore, bring the top price of the market. A fair and true slogan for merchants handling South Carolina produce would be: "Eat your way to health." Too many times have we been told that we eat our way to disease and "dig our graves with our teeth." But if the people of the big cities will eat South Carolina grown fruits and vegetables regularly, they will have purer blood, sounder bodies, consequently better health. The terrible disease of goiter is prevented and in many cases cured by the

regular eating of these South Carolina grown fruits and vegetables containing a high percentage of iodine.

MILK MARKETED AS BUTTER AND CHEESE

Furthermore, South Carolina produced milk is exceedingly high in mineral content and in the most valuable vitamins. While our milk can not be shipped in its fresh form to the great centers for consumption, yet we can convert that milk into delicious butter and into appetizing cheese, and these two products of milk contain these essential vitamins without diminution in value. The growing season for grazing in South Carolina is about 250 days in the year. It is necessary to house our milk cows only about four months in the year. It is never necessary to steam heat the dairy barns in South Carolina. We can produce two crops of silage on the same land during any season. We have grasses that withstand our heat and the temporary dry spells. We have vines and grasses which remain ever green during the winter and furnish grazing for cows. The price of milk is practically the same over the Nation, just as is the price of cotton and wheat. If the dairy farmers of the North and West, such as in the State of Wisconsin, can, with their short growing season, where they must house their milk cows eight months in the year and part of that time steam heat their barns, prosper and some of them grow rich by producing milk at a given market price, so surely the South Carolina farmers, under the conditions herein contrasted, ought to prosper more and to grow richer. This is no "pipe dream" but a manifest fact. The cow feeds produced in our soil convey into the milk of the cow the health-giving vitamins which make our butter and cheese exceedingly valuable. When this fact becomes known, then the housewives of the great cities and industrial populations will ask for South Carolina produced butter and cheese, and consequently all of the butter and cheese we can produce will be taken at the top of the market price.

If the farmers, therefore, will continue, as a few of them in some sections have started to do, to diversify by producing fruits and vegetables in quantities and by producing milk to be converted into butter and cheese, and will can the fruits and vegetables, and offer all these in carload lots in the mighty cities of the North and East, our farmers will find the way out of the gloom through which they are now staggering. If they will cut the acreage of cotton 10 per cent the first year and plant that 10 per cent in fruits and vegetables to be canned and continue cutting the cotton acreage 10 per cent each year for five years, until the acreage be reduced to 50 per cent of the present acreage, then the farmers will begin to see a new ray of light. They will be living at home. They will eat enough of their own fruits and vegetables and consume enough of their own milk and butter to support themselves.

Incidentally, many of them will produce hogs for the packing houses, as well as sheep and cows. The presence of animals on our farms in great quantities will mean that our soils, now so largely depleted of their natural fertility, will be restored to their pristine fertile condition. The huge expense of purchasing millions of tons of commercial fertilizer will be eliminated. The expense of hoeing and picking so much cotton will be eliminated. Consequently, whatever cotton is produced will be a clear cash profit.

OUR FUTURE IS BRIGHT

Therefore, Mr. Speaker, the future for South Carolina is brighter than it has ever been in her history. We have just discovered our great natural resources which constitute the certain foundation for our future abiding prosperity. With abundant water power to be transmitted through electric agencies, which we hope will be cheap enough to attract industry, we can expect our population to increase in the next decade by leaps and bounds.

Our climate is unusually well suited for industry as well as agriculture. Hundreds of cotton manufacturing plants have in the last decade moved from the New England climate to the South Atlantic section, and perhaps more of such businesses have come into South Carolina than into any other Southern State. There may exist in the minds of

some people an uncertain and unfounded fear that the climate in South Carolina is either malarial or miasmatic or so oppressive with heat as to induce lethargy and inaction. For those who labor under such misconception, let me cite the fact that the mean annual temperature is 63°; the average spring temperature, 62°; the average summer temperature, 79°; the average autumn temperature, 63°; and the average winter temperature, 47°. As already stated, grasses, trees, and vegetation generally grow for about 250 days in the year. Our frosts are never very severe. Building construction can go on any time of the year. For agricultural purposes the rainfall is abundant. The average annual rainfall for the entire State is about 48 inches and it is usually distributed throughout the months of the entire year with a fair degree of equality. The drinking water is of the finest freestone quality. At the foot hills of the Allegheny Mountains the average time for the first frost is November 1, and through the middle section of the State the average first frost is November 15, and along the coast the average first frost is December 1.

In the spring at the foothills of the mountains the average last frost is April 1; in the middle section March 15; and along the coast March 1. The altitude ranges from 3,200 feet at Caesar's Head to sea level along the Atlantic coast. The average elevation in the Piedmont section is about 1,000 feet and throughout the coastal plain from 300 to 500 feet. The health statistics for South Carolina show an unusually high average for absence of diseases and magnificent record for low mortality. Consequently the health of people residing in South Carolina is proverbially good. People can work every day in the year, being neither hindered by the heat of summer nor the cold of winter. There is a reason why industrial leaders are picking South Carolina to place their great plants.

INDUSTRY PROVIDES US A HOME MARKET

So, Mr. Speaker, the industrial population, which is already in our midst and which is fast coming to utilize our abundant power under the climatic conditions herein stated, will furnish our farmers a home market for much of their produce. These twin resources—abundant water power and magnificent soil—are the guarantee for our future greatness. The 1-crop system of cotton has certainly proven a curse. Our people are beginning to diversify, and our bankers are cooperating with our farmers in splendid fashion. We are expecting a state-wide campaign in favor of diversification. That campaign will include a program that every farmer shall produce, first of all, the food and feed for home and farm, and in addition have a surplus of fruits and vegetables, of milk, hogs, chickens, and eggs to sell.

The cotton acreage will ultimately be cut at least in half and creameries, cheese factories, potato curing houses, canneries, egg and poultry assembling plants, and packing houses for meat products will spring up in every part of the State. The natural fertility of the soil will return. The mortgages upon the farms will begin to disappear. Better barns and outbuildings will be found around every farm house. Newer and more modern homes will rise. The paint brush will be applied to the residences and to the outbuildings. A smile of contentment and confidence will play upon the faces of farmers and farmers' wives and farmers' children. The future is theirs. It may take many years to accomplish the full realization of this bright picture. But our faces are turned toward that bright future. If we do not see it ourselves, we shall pass into the great beyond with the confident expectation that our children will see it and that our grandchildren will see even a brighter realization of this picture.

Mr. Speaker, the Hon. John G. Richards is just finishing a 4-year term as Governor of South Carolina. Under our constitution, the governor can hold office but one term of four years. In a few days he will be succeeded by the Hon. Ibra C. Blackwood, of Spartanburg, S. C., a gentleman of culture and accomplishments, of statesmanlike vision and of executive capacities. Governor Richards has done his part toward helping our people to realize that a change

must be made in farm conditions. I am appending hereto a short extract from the last annual message of Governor Richards.

THE GOVERNOR'S WORDS

It is my belief that Governor Blackwood will carry on this work with the same fine enthusiasm. We are expecting that the 4-year term of Governor Blackwood will be filled with many realizations that the bright picture I have tried to paint is rapidly becoming a magnificent fact. So South Carolina does have natural resources of which the geography of my youth did not know. Great as is the historic past of South Carolina, great as is the part she has played in her history, proud as we are of her splendid traditions, glorious as is her share in the Nation's history, we are not only hopeful but we are confident that her future will be still greater. She will be rich and powerful. With a native population of Anglo-Saxon stock crossed with considerable elements of Scotch-Irish and French Huguenots, we trust the future to these Americans born and reared in South Carolina, knowing their devotion to our form of government, and their high resolution that our Constitution and our institutions shall continue as the guide and guarantee of posterity even as it has been of our forefathers.

Here are the words of Governor Richards:

The natural resources commission and the food research commission are cooperative departments. The food research commission has been established at the Medical College of South Carolina, where the State has one of the most modern and thoroughly equipped laboratories in America. It was from this laboratory, under the direction of Dr. Rowe E. Remington, recognized as one of the foremost chemists of this country, that the information of the wonderful discovery of the iodine content in our vegetables and milk came, and it was through his analysis and his discoveries, verified by other great chemists of this and other countries, that our farmers are encouraged and suffering humanity has real cause for hope.

The chemists assure us that our vegetables and milk, in fact, all foods produced from South Carolina soil, contain more iodine than food grown in any other section of this and other countries where a comparative analysis has been made. Goiter is one of the most dreaded of all diseases, and it is estimated that there are 30,000,000 Americans who are living in the goiter districts of this country, and that a large percentage of these have already contracted the disease. Chemists and medical scientists of unquestioned reputation declare that if moderate quantities of South Carolina produced foods are eaten daily it is impossible to contract the disease, and that these foods will even cure the disease when in its incipient stage. Marvelous results have already come from this discovery. Demand for South Carolina grown products is steadily increasing throughout the Nation. Canning factories are being erected, and several that have already been established are being improved and enlarged. A cheese factory and several creameries are now in operation in this State, with the promise of others soon to follow.

Gentlemen of the general assembly, I respectfully invite your careful consideration to the splendid work this department is doing, not only for the farmers of the State but for suffering humanity. Dr. William Weston, the director, is devoting his time and great talents to this work, and he is in constant communication personally and through correspondence with the leading scientists of this and other countries, and through the executive secretary, John K. Aull, with publications and business interests of the United States. The natural resources commission has associated with it an advisory board of great wealth and prominence, who are nonresidents, but who are property owners within this State. Mr. Bernard M. Baruch is the chairman, and we have reason to expect great results from the cooperation of these men.

Steadily, and for the past decade or more, the general agricultural conditions of our State have declined. Boll-weevil infestation, unfavorable weather conditions, and unremunerative prices have caused many of our farmers to despair, and thousands have deserted their farms and are seeking other means of support.

The 1-crop idea and practice has been a curse to our people, and until our farmers realize that the farm must be self-sustaining, and that this can be accomplished only through intensive farming and diversification of crops, there is little of hope. However, I am positively convinced that the natural resources commission has the solution, and that the discovery of iodine content in our vegetables, milk, and other food crops will soon revolutionize our agriculture, enhance the value of our lands, and encourage the diversification that will transform our farm life into one of happiness and prosperity.

South Carolina has as fine and as intelligent farmers as are to be found in any State, farmers who are prosperous and content, and these are they who make their farms self-sustaining, with a surplus and variety for the markets of the country.

This State, gentlemen, has more than 9,000,000 of idle acres. Although exceptionally fertile, and adapted to the profitable cultivation of all crops that can be grown in the temperate zone, this vast territory is to-day a liability. The work of the natural resources commission is to reclaim these barren wastes and

convert them into a great asset through the introduction of diversified agriculture, and the establishment of prosperous and contented homes. The wonderful discovery has been made. We are in full possession of the facts, and I most earnestly urge the fullest cooperation of this general assembly with the natural resources commission, so that our State may reap the rich reward that is assured us if there is intelligent, faithful, and cooperative effort upon the part of our people.

PRINTING OF PAPERS AND EXTRACTS IN THE RECORD

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. CULLEN] may be permitted to extend his remarks in the RECORD by printing a resolution adopted by the American Federation of Labor in Boston on October 6 to 17.

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, it is understood pretty clearly by the Members of the House that resolutions have their proper place of reception and that putting them in the RECORD encumbers the RECORD and does no particular good except to flatter to some extent the individual or the organization. In order that the RECORD itself may show the situation, I am going to briefly give the House a few figures which are staggering in their character.

The largest printing bill of the Government is the printing of the CONGRESSIONAL RECORD, and last year the cost was \$758,693.94, over three-quarters of a million dollars. This was an increase over the previous year of more than \$175,000.

There are only 38,000 copies of the RECORD printed and they are distributed in this way: Eighty-eight copies to each Member of the Senate, 60 copies to each Member of the House, and there are only 520 paid subscriptions, showing how much interest the public has in the CONGRESSIONAL RECORD.

When the CONGRESSIONAL RECORD was first established by the Congress it consisted entirely of the proceedings of the House itself, a record for the Members and for their particular use. Later on there began to be abuse, until it has reached such proportions that to-day it is a scandal and a burden upon the taxpayers which is unjustified. I have tried almost alone, and yet I have had the support of practically the whole House, to protect the RECORD from the insertion of matters that have no connection or a remote connection with the business of the Congress. I have information that this has really reduced the size of the RECORD materially, and thus far my action has been justified. It has not been a pleasant duty—and I have considered it a duty—to object when my colleagues have asked permission to insert editorials from their home newspapers or letters from constituents or resolutions from organizations in their vicinity or other matters of a political and extraneous character. I think the result justifies my continuing this practice. I have tried not to show any favoritism toward any friend or to punish any enemies, if I have any. It may result in bringing me some enemies, but in public life we are all obliged to make enemies from time to time.

Mr. STAFFORD. Will the gentleman yield?

Mr. UNDERHILL. In a moment, when I have finished my statement.

I propose to continue this policy and I want to give notice to the House, although it may be considered a usurpation of a privilege, I shall continue to object to all of these matters that I think have no place in the RECORD and cause a burdensome tax upon the people of the country.

I now yield to the gentleman.

Mr. STAFFORD. I know of no one who has given more thoughtful consideration to the character of material, extraneous to the proceedings of the House, that should go into the RECORD than the gentleman from Massachusetts, and I am going to ask him whether in considering this abuse he has considered any remedy. It has occurred to me that perhaps the abuse might be corrected by referring all these requests, under a rule of this House, to some committee. Some of the material that is offered is worthy of the consideration of the Members of the House; some is of just passing interest, and some of no national interest and very little local interest. Of course, the gentleman can not be

here always to supervise, and is there not some way by which the question of whether material is proper for insertion in the RECORD may be determined in advance by some committee of the House that would pass on the propriety of the insertion.

Mr. UNDERHILL. Well, the House itself has complete jurisdiction of its own actions, but beyond that its jurisdiction does not extend. The gentleman from Texas [Mr. GARNER] who is now on his feet, offered a suggestion at the last session and I took the matter up with the Committee on Printing, both in the House and in the other body. In the House it met with some favorable response, but in the other body it was turned down immediately, as no Member of that body felt it incumbent upon him to offer objections to anything which might be inserted in the RECORD.

Mr. GARNER. Will the gentleman yield at that point?

Mr. UNDERHILL. Yes.

Mr. GARNER. I think the RECORD ought to be kept, as the gentleman suggests, but I do not think another body ought to have an advantage over this body. You analyze the RECORD and you will find that another body with 96 men have more space in the RECORD than this body, with a membership of 435.

Now, that is giving the other statesmen an advantage over the gentlemen who occupy this Chamber. That is one thing I protested against, that there ought to be some way in which we could get fair play between the two Houses.

Mr. UNDERHILL. I am in entire sympathy with the gentleman from Texas; but, gentlemen, this is our responsibility here. The criticism which comes from the press all over the country of the abuse of the RECORD for the last two years has not been directed against the House. For the first time in my recollection the press has differentiated between the two bodies and has called attention repeatedly—and I mean by the press not only the great metropolitan dailies but the small publications of the country—they have called attention to this abuse of the RECORD and have ridiculed, not Congress, but one body.

I want to say now that nothing has touched me so deeply, nothing that I appreciate more than the kindness, consideration, courtesy, and helpfulness of the Members of this body, their forgiving disposition to me in helping me in the task that is self-imposed to a certain degree.

So, Mr. Speaker, in order that the House may maintain its reputation for statesmanship which the gentleman from Texas speaks of, I must continue to object to these matters going into the RECORD.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TILSON. If the gentleman will wait for three minutes until we go into Committee of the Whole House on the state of the Union he can get all the time he wants.

Mr. BOYLAN. I have made a request, and I think I ought to be allowed to answer the gentleman from Massachusetts.

Mr. TILSON. I hope my friend will not insist on his request. If he does, there will be some one else who will insist upon answering him, and so on indefinitely.

Mr. RANKIN. Mr. Speaker, I do not know what the gentleman from New York [Mr. BOYLAN] is going to say, but, as a matter of fact, all the time for general debate on the appropriation bill is taken, and it may be two or four hours before the gentleman from New York can make his short speech.

Mr. TILSON. The gentleman can undoubtedly get what time he wants very soon.

Mr. RANKIN. The gentleman from Connecticut is not going to save any time of the House by objecting to the gentleman's request.

Mr. TILSON. All I am trying to do is to discharge my duty in forwarding the business of the House. If the gentleman from Mississippi is not willing to cooperate with me to that extent, he must take the responsibility.

Mr. BOYLAN. I made a request of the House, using about 20 words. The gentleman from Massachusetts got up

and opposed my request and uses about 20 minutes of time. I merely asked for five minutes to explain my request. It is not a personal request. I ask it on behalf of the leader of our delegation [Mr. CULLEN], and surely I ought to be permitted to have five minutes to explain the request. The gentleman from Massachusetts who preceded me spoke for 20 minutes and used ten times as many words as I did.

Mr. STEAGALL. Mr. Speaker, how much time has been used in discussing the request of the gentleman from New York for five minutes?

The SPEAKER. The Chair does not think that that is a parliamentary inquiry.

Mr. SPROUL of Illinois. Mr. Speaker, I object.

MEETINGS OF COMMITTEES OF THE HOUSE

Mr. RANKIN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. We have attempted to get some veterans' legislation before the House, but unfortunately the chairman of our committee is indisposed and in the hospital. We are attempting to get legislation from the Ways and Means Committee to pay off the veterans' adjusted certificates, but the chairman of that committee is absent and we can not ascertain his whereabouts. Under these conditions I want to ask the Speaker how we can proceed to get a meeting of these committees in the absence of their chairmen.

The SPEAKER. The general rule is that a committee may establish such rules as it pleases with regard to its meetings. The gentleman may recall that the present occupant of the chair about a year ago ruled that where a committee had a fixed date of meeting, then with or without the call of the chairman, and whether or not the chairman was present, if a quorum of the committee was present on that date, which was the announced date for meeting of that committee, that quorum could transact such business as was before the committee. It is, therefore, within the power of any committee to fix a regular meeting day, and if a majority of the committee is present at that time, that majority can transact business.

Mr. RANKIN. Mr. Speaker, that would apply perhaps to the Committee on Ways and Means, but the Committee on World War Veterans has no fixed days of meeting, and there is no way for us to get a meeting so as to fix a date of meeting, since the chairman unfortunately is unable to be present and call the meeting. It seems to me that there ought to be some way under the rules of the House by which we could call the committee together and consider veterans' legislation.

The SPEAKER. As the Chair just said, under the present ruling of the Chair the committee has the power to fix a date of meeting, and if that be done, the committee may assemble without the call of the chairman.

Mr. RANKIN. Mr. Speaker, I am just informed by members of the Committee on Ways and Means that they do not have a fixed date of meeting. Neither does the Veterans' Committee. Under these conditions, how are we to secure a meeting to fix rules for convening or to fix meeting dates? I am endeavoring to find out if there is any way on earth for the members of these committees to hold meetings and legitimately transact the business of those committees.

The SPEAKER. Under the circumstances, where the chairman of a committee is ill, the Chair thinks that the committee should request the chairman that a meeting be called by the next ranking member. The Chair thinks that would be entirely proper. Or if a situation arose where a chairman refused to call a meeting, there being no fixed date of meeting, it would be in order, the Chair thinks, to introduce a resolution in the House providing for such a contingency and, perhaps, for the fixing of a date of meeting.

Mr. RANKIN. In the case of the Committee on Ways and Means, as at present, where the chairman is merely absent and can not be found, could that be done by resolution through the House?

The SPEAKER. The Chair thinks that under the rules of the House, that have been in force for more than a

hundred years, that would be the case, but the Chair suggests that it is always within the power of a committee to fix a meeting date or to provide rules under which it shall exercise its functions.

Mr. MOORE of Virginia. Mr. Speaker, am I right in assuming in the condition stated that it is not within the province of a majority of a committee to bring about a meeting of the committee in the absence of the chairman or in the absence of a fixed date or in the absence of a resolution?

The SPEAKER. The Chair took all of those questions into consideration when he made the ruling to which he has referred. Until the ruling made by the present occupancy of the chair such a meeting, if it had transpired, would not have been legal, but under the present ruling of the Chair it is legal, provided there is a fixed date and a quorum of the committee is present.

Mr. MOORE of Virginia. If the Chair will permit me to say so, it strikes me it is necessary that provision be made that will enable a majority of a committee to call a meeting of the committee in the absence of the chairman or because of the refusal of the chairman to act, and I am glad to say that the gentleman from Georgia [Mr. CRISP] has introduced a resolution which will take care of that situation.

Mr. RANKIN. But it will not take care of the disabled veterans for whom we are trying to legislate and it will not take care of the legislation before the Committee on Ways and Means. The thing I am after is to get meetings of those committees at this time.

PENSIONS

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 15930) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, and that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent for the present consideration of the bill H. R. 15930, an omnibus pension bill, and that the same be considered in the House as in Committee of the Whole. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, under the reservation of the right to object, I wish to ask a question. I notice in the report on the bill that this omnibus pension bill embodies 328 private bills introduced by 131 Members. In glancing through the bill I notice that increases are made for various widows, I assume, under certain rules laid down by the committee. My inquiry is whether it is not possible, instead of limiting the raises to those for whom private bills have been introduced, to have general legislation and increase the rates of pensions now provided by general law. Under the existing practice certain persons are singled out for preferment, whose cases have been called to the attention of Members who have introduced bills in their behalf.

Mr. NELSON of Wisconsin. At the last session we passed legislation to take care of a large group of widows.

Mr. STAFFORD. As I recall, there were no widows of Civil War veterans.

Mr. NELSON of Wisconsin. Oh, yes; they were the widows of Civil War veterans.

Mr. STAFFORD. In what way was their former rate of pension increased?

Mr. NELSON of Wisconsin. We reduced the age clause from 75 years to 70 years for the allowance of the \$40 per month rate to those widows whose names are on the pension roll under existing service pension laws. This provision at that time increased the pensions of 27,000 widows.

Mr. STAFFORD. The rate was not increased, but the highest rate extended to a lower age group.

Mr. NELSON of Wisconsin. General legislation is sometimes harsh, and there are many equitable cases that come in that are not covered. Congressmen feel when they are

appealed to that those special, equitable cases should be taken care of, and that it is the function of the Committee on Invalid Pensions to sit not only as legislators but judicially to determine whether or not there are equities. We have adopted rules by which we are guided so that all who have these cases will be treated equitably.

Mr. STAFFORD. Then the gentleman does not believe it is feasible under the present circumstances to embody in general legislation a provision to provide for all, without the necessity of the intermediation of a private bill?

Mr. NELSON of Wisconsin. The gentleman has asked a question which is of the utmost importance. As chairman of the committee, realizing the magnitude of this pension question, I tried to have investigations started that would lay the whole matter before the country. We got along pretty well. I thought we could complete that investigation at the last session. Colonel Church, Commissioner of Pensions, was taken sick the day before he was to come on as one of the witnesses, or a few days afterward, and General Hines, another very important witness, was about worn out with testimony before committees. Therefore, I had all the papers printed in a confidential print and sent to the members of the committees for study. I have reassembled all of those investigators, something like 21. General Hines and his assistants are giving me aid with outside help. In about 10 or 15 days the hearing will begin, in which we will take up this entire subject. Remember if we are as liberal in dealing with the World War veteran widows as we have been with the Civil War veteran widows, the tax burden will be increased many billion dollars per year. Pensions for all wars now exceed a billion a year. The question is to what extent we are obligated to take care of widows who married soldiers long after the war.

Mr. SPROUL of Illinois. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BUSBY. Reserving the right to object—

The SPEAKER. The gentleman from Illinois [Mr. SPROUL] has demanded the regular order.

Mr. BUSBY. Then, Mr. Speaker, I object. We are not going to be driven into these things.

DEPARTMENTS OF STATE AND JUSTICE AND THE JUDICIARY, AND DEPARTMENTS OF COMMERCE AND LABOR APPROPRIATION BILL

Mr. SHREVE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, and pending that, I would like to ask the gentleman from Alabama [Mr. OLIVER] if we shall now agree upon the time or shall we let the time run along?

Mr. OLIVER of Alabama. I think it would be better to allow the time to just run along for a while.

Mr. SHREVE. Then, Mr. Speaker, pending the motion, I ask unanimous consent that the time may be equally divided and controlled by the gentleman from Alabama [Mr. OLIVER] and myself.

The SPEAKER. The gentleman from Pennsylvania [Mr. SHREVE] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16110, and pending that, asks unanimous consent that the time for general debate be equally divided and controlled by the gentleman from Alabama [Mr. OLIVER] and himself.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania [Mr. SHREVE].

The question was taken, and the motion was agreed to.

Mr. BOYLAN. Mr. Speaker, I ask for a division.

Mr. TILSON. It is too late. The Chair has announced the vote.

Mr. BOYLAN. I was on my feet before the Chair made that announcement. I ask for a division.

The SPEAKER. The Chair thinks that technically the gentleman from New York is too late, but under the circumstances, if the gentleman makes a bona fide request for a division, the Chair will put it.

Mr. OLIVER of Alabama. Mr. Speaker, the gentleman from New York only desires four or five minutes. Would it be agreeable to the gentleman from Pennsylvania [Mr. SHREVE] as soon as we go into the Committee of the Whole House on the state of the Union to permit the gentleman from New York to make a four or five minute statement?

Mr. SHREVE. It will be a very great pleasure to do that.

Mr. OLIVER of Alabama. I will yield time to the gentleman from New York when we go into the Committee of the Whole House on the state of the Union.

Mr. BOYLAN. Mr. Speaker, I withdraw the request for a division.

The SPEAKER. Without objection, the request for a division is withdrawn.

There was no objection.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16110, with Mr. RAMSEYER in the chair.

The Clerk read the title of the bill.

Mr. SHREVE. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SHREVE. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman and ladies and gentlemen of the committee, this morning I made a request on behalf of the leader of our delegation [Mr. CULLEN] who is ill and who has been excused by the House, to permit the printing in the RECORD of a resolution sent him by a powerful organization in this country. Objection was made, saying that much matter was introduced in the RECORD that was not germane to the public business and had no proper place there; also that such resolutions came in many instances from organizations of no moment.

This particular resolution was a resolution by the American Federation of Labor and it was relative to public business because it was a resolution that provided that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Department of Agriculture, Department of Labor, and Department of the Interior. So certainly that was of public import and worthy to be considered by Congress.

No one has worked harder than I to see that the RECORD be kept clear. I have worked for the last three years, in addition, to see that the RECORD be modernized. As was stated this morning, another body in the Congress will permit the insertion of almost any kind of material, while in the House we naturally have, on good grounds, restricted the insertions in the RECORD. But I think a sound discretion should be exercised, and when something of importance to the House, something that furnishes information as to how the people of the country feel on pending matters is offered, it should be inserted in the RECORD. No one has taken less time than I on this floor. No one has placed less extraneous matter in the RECORD than I. But I speak not for myself, because this morning I did not request anything of a personal nature. I requested that common courtesy be extended to the leader of our delegation who is ill and who, as the records of this House will show, has been excused on that ground.

Yet, despite the fact that my entire request would have taken a minute or a minute and a half, fully a half hour was consumed in denouncing Members of the House for inserting various matters in the RECORD. Why I was used as the vehicle for this outburst, I do not know, but I will say right here and now I will support any man in this House, on either side of the Chamber, in seeing that he has fair and equal rights in the insertion of matter in the CONGRESSIONAL RECORD. [Applause.] Day in and day out articles of various

sizes have been presented and included in the RECORD, many of them of political import, but no objection was raised. I serve notice here that from now until the end of this session I shall support any Member who desires to insert anything in the RECORD that will be enlightening not only to the Members of the Congress but to any of the Federal departments. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution adopted by the American Federation of Labor at a convention held in Boston on October 6, which advocates that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing a resolution adopted by the American Federation of Labor. Is there objection?

Mr. UNDERHILL. Mr. Chairman, I object.

Mr. BOYLAN. I would like to have three more minutes.

Mr. GRIFFIN. I yield the gentleman three additional minutes.

Mr. BOYLAN. Mr. Chairman, during the convention of the American Federation of Labor held in Boston, October 6 to 17, resolutions were adopted urging Congress to adopt House Joint Resolution 334, which provides that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior.

Mr. UNDERHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman can not take the gentleman from New York off the floor by propounding a parliamentary inquiry.

Mr. UNDERHILL. Then, Mr. Chairman, I make a point of order.

Mr. BOYLAN. The resolutions are sent to you for your consideration and I hope for favorable action. They are as follows—

The CHAIRMAN. The gentleman from New York will desist.

Mr. BOYLAN. I have not yielded to the gentleman from Massachusetts.

The CHAIRMAN. But the gentleman from Massachusetts makes a point of order, which he will state.

Mr. UNDERHILL. Mr. Chairman, having objected to the insertion of this resolution in the RECORD, the gentleman has no right, under the rules of the House, to read it into the RECORD, and, therefore, I make the point of order that the gentleman is out of order.

Mr. BOYLAN. In answer to that I have been allotted this time.

The CHAIRMAN. In order that the gentleman may read the paper he must get either unanimous consent or an affirmative vote of the House.

Mr. BOYLAN. The time has been allotted to me without qualification. No qualification was made.

The CHAIRMAN. There is a rule against reading a paper unless the Member gets consent to do so.

Mr. BOYLAN. It is within my time, Mr. Chairman.

The CHAIRMAN. That makes no difference. The rule on reading papers is Rule XXX, which reads as follows:

When the reading of a paper other than one upon which the House is called to give a final vote is demanded, and the same is objected to by any Member, it shall be determined without debate by a vote of the House.

Mr. CRISP. Mr. Chairman, I move that the gentleman be permitted to read the communication.

Mr. STAFFORD. Mr. Chairman, I make a point of order against that motion. My point of order is that the rule just read by the Chairman, Rule XXX, applies only to proceedings in the House.

The CHAIRMAN. Has the gentleman any decision in support of his contention?

Mr. STAFFORD. No; I have not. The rule provides that it shall be determined without debate by a vote of the

House. Now, we are in the committee and are bound by the rules of the House. The rule does not say that the committee can by vote permit the reading of a paper, but it says that the House may by vote grant that privilege.

Mr. SABATH. That is where a point of order is made in the House.

Mr. STAFFORD. My query is whether the committee can change this rule by a vote of the committee or whether this rule extends to proceedings in the Committee of the Whole. I am frank to say to the chairman of the committee that I do not know whether it does, but I am submitting it to the Chair for his decision.

The CHAIRMAN. In the opinion of the Chair, it is within the power of the Committee of the Whole House to determine whether or not it will permit a paper to be read. The point of order is overruled. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. BOYLAN (reading):

Whereas WCFL, the Voice of Labor, radio broadcast station, operating on 970 kilocycles, and W9XAA, its recently installed short-wave relay broadcast station, operating on 6,080 kilocycles, is the only radio station in the world which is owned, controlled, and operated by the labor movement; and

Whereas WCFL-W9XAA, indorsed by the American Federation of Labor and its affiliated national, international, and State organizations, is justly entitled to one of the national, cleared, unlimited time channels out of the 90 available; and

Whereas radio takes its place alongside of the development of the printing press and the establishment of the public school; it is the supermeans of entertainment, education, and propaganda. Whoever controls radio broadcasting in the years to come will control the Nation. For good or ill, radio will pour into the homes of the land, into the minds and hearts of the people, a constant stream of song and story, of history, science, economics, politics, and propaganda. Overshadowing and outreaching all other means of communication, radio has become the unrivaled master of human destiny; and

Whereas radio broadcasting is the most effective means known to man for influencing public opinion. More people listen to the radio than read all the daily newspapers in the land. The mind can not conceive of the influence which radio is destined to exert upon the thinking, the habits, the character, and the progress of mankind; and

Whereas the public interest, necessity, and convenience requires that this marvelous new means of communication should not be placed within the control of a few great monopolistic corporations or handed out as a free gift to a few hundred private business concerns for commercial exploitation; and

Whereas the "public interest, necessity, and convenience" requires that radio broadcasting provide not only entertainment but information, not only music but science, history, economics, and all other things that make for human welfare. It requires that the serious problems of life shall be presented, not from one group or one viewpoint only, but from many groups and many points of view; and

Whereas the "public interest, necessity, and convenience" is nation-wide, it is age long, it has to do with the physical, mental, moral, social, and economic welfare of all of the people; and

Whereas the "public interest, necessity, and convenience" which the law fixes as the sole test for granting radio licenses is the same as the "public welfare," being that which contributes to the health, comfort, and happiness of the people, which provides wholesome entertainment, increases knowledge, arouses individual thinking, inspires noble impulses, strengthens human ties, breaks down hatreds, encourages respect for law, aids employment, improves the standard of living, and adds to the peace and contentment of mankind; and

Whereas like the air we breathe, or the sunlight that gives us life, radio must be charged with a public trust—the heritage of mankind—and no man or corporation must be permitted to appropriate it, any more than they should be permitted to appropriate the air or the ocean; and

Whereas organized labor has contributed immeasurable service to the Nation; it has vastly improved working conditions, raised the standard of living, infused hope and courage and patriotism into millions of hearts; it has battled for needed reforms, sane and useful legislation, and social and economic justice for all who toil; it has established principles, policies, and ideals which are as essential to the welfare of our country as is sunlight to the growing fields; it has a message for all mankind; it asks no monopoly, no special privilege, no right to exploit the air for commercial profit, but asks only that it be allowed to use one of the 90 available radio channels in order that it may freely promulgate the principles and ideals and thereby protect and serve the entire public; and

Whereas evidence of the tendency of the Federal Radio Commission to allocate the most desirable wave lengths to private corporations, in disregard of the public interest, necessity, and convenience is demonstrated by the fact that the 40 "cleared radio broadcasting channels" established by the Federal Radio Commission, have been allocated as follows (some for part time only):

- (1) Twelve channels to corporations formed for the specific purpose of operating a broadcasting station;
- (2) Seven channels to corporations manufacturing radio equipment and supplies;
- (3) Ten channels to corporations dealing in merchandise of various kinds;
- (4) Eleven channels to corporations publishing newspapers;
- (5) Three channels to public utility corporations;
- (6) Five channels to insurance corporations;
- (7) One channel (limited time) to a fraternal organization; and
- (8) One channel to a municipal corporation: Therefore be it

Resolved, That the American Federation of Labor, in its fiftieth annual convention assembled in Boston, Mass., this 7th day of October, 1930, indorse House Joint Resolution No. 334, introduced on May 9, 1930, by Congressman REM of Illinois (who was impelled to introduce this resolution on account of the arbitrary and biased action of the Federal Radio Commission in denying a cleared channel to the station of organized labor, WCFL), to amend the radio act of 1927, by providing that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior, which shall be licensed to the radio stations recommended by the heads of those Government departments as being most representative of the labor, agricultural, and educational interests of the United States.

Mr. SHREVE. Mr. Chairman, ladies and gentlemen of the committee, your subcommittee of the Committee on Appropriations handling the appropriations for the Departments of State and Justice and the judiciary and the Departments of Commerce and Labor comes again before you with a report. We have been working for several weeks on the items for the various departments. We have had the assistance of all the Cabinet officers concerned, as well as the men under them. We have made a careful and exhaustive examination of the items that are presented for our consideration and for your consideration. Naturally, we have been practicing economy wherever possible. We realize there are now very large demands upon the Government and if we can save some money as we go along we feel it is our responsibility to do it. Accordingly we have reduced the estimates made by the Bureau of the Budget by \$2,361,292, and we think we have done this without injury to any service.

STATE, JUSTICE, COMMERCE, AND LABOR

This bill, covering fiscal recommendations for the Departments of State and Justice and the judiciary, and the Departments of Commerce and Labor, carries a total of \$135,789,668.34 for 1932. This is \$5,881,302.20 over the current fiscal year and \$2,361,292 under the estimates submitted by the Budget.

Department	Appropriations, 1931	Estimates, 1932	Recommendations, 1932	Increase (+) or decrease (—), bill compared with 1931 appropriations	Increase (+) or decrease (—), compared with 1932 estimates
State.....	\$17,674,780.14	\$17,590,073.34	\$16,681,326.34	—\$993,462.80	—\$908,747.00
Justice.....	45,395,922.00	51,988,261.00	51,239,201.00	+5,843,279.00	—749,060.00
Commerce.....	54,616,485.00	54,635,226.00	54,038,941.00	—577,544.00	—596,285.00
Labor.....	12,221,170.00	13,937,400.00	13,830,200.00	+1,609,030.00	—107,200.00
Total.....	129,908,366.14	138,150,960.34	135,789,668.34	+5,881,302.20	—2,361,292.00

We eliminated from the various items in the bill the amounts included in the Budget estimates for promotions under the classification act. These promotions for the four

departments amounted to \$632,000. We did this to be consistent with the action of the Committee on Appropriations in reporting appropriation bills for other departments.

DEPARTMENT OF STATE

For the various activities of the State Department we have recommended a total of \$16,681,326.34. This is \$993,462.80 less than the appropriation for the current year and \$908,747 under the amount estimated for in the Budget.

The current appropriations, the Budget estimates for 1932, and the committee's recommendation for 1932 are set forth in a statement I am submitting for the RECORD. This state-

ment shows the activities of the Department of State as reflected by appropriations, as follows:

First. The department in Washington, including the passport agencies in the United States.

Second. Foreign Service.

Third. Foreign Service buildings and retirement funds.

Fourth. The United States contributions to its international obligations.

Fifth. The United States Court, for China and expenses.

Group	Appropriations, 1931	Budget estimates, 1932	Amount recom- mended for 1932	Increase (+) or de- crease (-), bill compared with 1931 appropriations	Increase (+) or de- crease (-), bill compared with Budget estimates
(1) Department in Washington, including passport agencies.....	\$2,364,273.00	\$2,517,218.00	\$2,500,498.00	+\$136,225.00	-\$16,720.00
(2) Foreign Service.....	11,437,081.00	11,700,168.00	11,612,941.00	+175,860.00	-87,227.00
(3) Foreign Service buildings.....	1,820,000.00	2,000,000.00	1,200,000.00	-820,000.00	-800,000.00
(4) International obligations.....	1,996,185.14	1,310,637.34	1,310,637.34	-685,547.80	
(5) Judicial.....	57,250.00	62,050.00	57,250.00		-4,800.00
Total, regular annual appropriations.....	17,674,789.14	17,590,073.34	16,681,326.34	-993,462.80	-908,747.00
(6) Permanent and indefinite appropriations.....	141,233.00	141,233.00	141,233.00		
Grand total.....	17,816,022.14	17,731,306.34	16,822,559.34	-993,462.80	-908,747.00

I do not want to take up the time of the House with all of the changes occurring in the bill, as they are fully set out in the report, but do desire to direct attention to the more important items.

SALARIES, SECRETARY'S OFFICE

For the salary roll of the State Department in Washington we have recommended \$1,983,968 for the next fiscal year, a net increase over the current year of \$135,203. This increase covers some additional personnel, reallocation of employees by the Personnel Classification Board, automatic increases in salaries under the Brookhart Act of July 3, 1930, and the transfer to this appropriation unit of the amount heretofore paid for salaries from the appropriation "Immigration of aliens" which appropriation unit has been dropped from the bill.

CONTINGENT EXPENSES, FOREIGN MISSIONS

We recommend for contingent expenses for foreign missions \$912,740, which is a decrease of \$473,585, due to the transfer from this appropriation to a separate appropriation unit of the amount previously carried under this head for the payment of rent, heat, light, and fuel.

I may say here we have made various transfers that do not in any way affect the bill, but merely bring together under appropriate heads or coordinate, if you please, such matters as properly belong in one place and can be considered as one item.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. SHREVE. Certainly.

Mr. LINTHICUM. There is one thing I do not quite understand about the State Department appropriation, and that is why you appropriate for rent, heat, and light for the career officers and do not make the same appropriation for the clerks and other men engaged in the Foreign Service. The act gives you the same right, and you did appropriate for the clerks in the Labor Department, in the Agricultural Department, and in the Treasury Department, and yet you omit these men, who need it perhaps more than the men in the other departments.

Mr. SHREVE. I will say to my friend that this is rather new. The gentleman will remember that last year was the first time we carried these various items. We have tried to use the same system in the Department of State and in the Department of Commerce, and in the Department of Commerce the clerks are not allowed the extras that the gentleman has mentioned, and I am not sure that the Congress is yet ready to accept the proposition as stated by the gentleman from Maryland. There was no pressure on the committee and there was no recommendation by the Bureau of the Budget. The matter, I think, is entirely up to the gentleman from Maryland.

Mr. LINTHICUM. That is the reason I am asking the question. I feel it is not only up to the gentleman from Maryland, but it is up to the Congress. Here are a lot of men who are working on small salaries, and they get no allowance for rent, heat, and light, and yet there are other men who are getting a larger salary that are getting such allowances when the act gives the gentleman's committee the right to appropriate for all of them.

Mr. SHREVE. But these men have never had it but once, and it is a very, very insignificant sum. It would cost the Government, however, to carry out the ideas of the gentleman from Maryland, about \$480,000.

Mr. LINTHICUM. Yes; and would help the service very materially.

Mr. SHREVE. There is no doubt about that.

Mr. STAFFORD. It would be substantially an increase in salary.

Mr. SHREVE. Yes.

Mr. STAFFORD. And, of course, responsibility for the size of the appropriation does not rest on the other side.

Mr. SHREVE. It would really increase salaries about \$615,000.

CLERK HIRE, UNITED STATES CONSULATES

For clerk hire of our consulates abroad we have recommended \$2,234,088, which is the same as the Budget estimate and an increase of \$380,822 over the current year. However, this increase is only apparent and not real, as it is due to the transfer to this appropriation, where it properly belongs, of expenditures for this purpose heretofore made from the appropriation unit "Immigration of Aliens," which has been dropped from the bill.

CONTINGENT EXPENSES, UNITED STATES CONSULATES

For this purpose the bill carries \$905,931, as compared with \$1,737,140 for the current year, which is an apparent decrease of \$811,209. However, this decrease is not real, as the amount recommended does not include the amount previously carried under this head for rent, heat, light, and fuel of \$964,837, and which is now carried under a separate head for that purpose. On the other hand, it does include \$67,628 which has been transferred to this appropriation from the appropriation for "Immigration of Aliens." The real increase in this item is \$66,000, which is distributed as follows: For new personnel, \$42,000; to open three new consulates, \$9,000; and for the purchase of 120 new projectograph machines, \$15,000.

SALARIES, FOREIGN SERVICE OFFICERS

For salaries of Foreign Service officers we have included in the bill \$3,373,500, the amount of the Budget estimate. This is \$75,000 more than was carried under this head for the current year, but \$30,000 of this increase is merely a transfer to this appropriation and was carried last year

under "Immigration of Aliens." The balance of the increase, \$45,000, is to permit the department to employ 18 additional Foreign Service officers.

FOREIGN SERVICE BUILDINGS FUND

The Congress, by the Foreign Service buildings act of May 7, 1926, authorized appropriations of \$2,000,000 per annum up to an aggregate maximum of \$10,000,000 for Foreign Service buildings. The appropriations made to date amount to \$6,835,000. The Budget estimate for 1932 was \$2,000,000 and the committee recommends \$1,200,000, which it believes, in view of the fact that the department now has an unexpended balance in this fund of about \$3,000,000, will be sufficient for the next fiscal year.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. WAINWRIGHT. The paragraph in the gentleman's report as to the situation with regard to the appropriation for foreign buildings is a little obscure to me. May I ask the gentleman, after this \$1,200,000 which you appropriate here and the \$3,100,000 which is carried over are spent, how much of the authorization of \$10,000,000 is going to be left?

Mr. SHREVE. Approximately \$2,000,000.

Mr. WAINWRIGHT. That will leave \$2,000,000 to be appropriated in the future out of the existing authorization to carry out this program?

Mr. SHREVE. And permit me to say right here that I have had the very great pleasure of visiting many of these projects in foreign countries, and I can assure the committee that the work is being splendidly done, in a highly efficient manner, and no criticism can be offered; but in order to completely carry out the building program as outlined by the Congress a number of years ago it is going to be necessary in the very near future to have another authorization, and I think the Congress should begin consideration of that matter now, because we must keep our building going along. If the work is stopped, it will be an expensive proposition, because there are other places demanding our attention. Just recently we have completed the purchase in Rome, Italy, of one of the most beautiful and magnificent spots you ever saw, right in the central part of the city, on which there are two villas, one of which will be used as the ambassador's residence and the other will handle the work of the embassy and the consulate. This is in one of the greatest cities in the world, with hundreds of thousands of people going there every year. The building is conspicuous and is in a beautiful park, and will be of great credit to the United States, and in my opinion it ought to be remodeled just as soon as possible.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. I will be glad to.

Mr. WAINWRIGHT. Do we understand that the total of the amount actually appropriated will be about \$2,000,000 short of the total authorization? In other words, you have still got \$2,000,000 which may be appropriated on top of what has been appropriated?

Mr. SHREVE. Yes. Let me read from the hearings:

Mr. MERRILL. You will all recall that this fund arises from the authorization act of May 7, 1926, authorizing the appropriation of \$10,000,000 for buildings owned by the Government abroad, under which a maximum of \$2,000,000 was allowed to be appropriated in each fiscal year.

Under that act, in the second deficiency bill of 1926, we had \$435,000. In the first deficiency act 1928 we had \$700,000. Then in the appropriation bill of 1929 we received \$1,300,000. In the appropriation act of 1930, \$2,000,000; the deficiency in 1929, \$700,000; and the appropriation of last year, 1931, \$1,700,000. Those were the sums which the Foreign Service Buildings Commission, composed of four Members of Congress and three members of the Cabinet, felt could be spent in those years. They did not ask any more than they thought could be spent economically and practically, and that is just about how it was run.

The total appropriation, therefore, has been \$6,835,000. The expenditures to date—and by that I mean the money actually out of the till, out of the Government funds—has been \$3,739,953.54 and odd.

Mr. WAINWRIGHT. Will the gentleman state the exact process of the selection of the building site—how do you arrive at that?

Mr. SHREVE. In the first place there is a commission appointed from Congress whose business it is to make a study in the various countries. This was largely under the control and jurisdiction of the late lamented Stephen Porter. Mr. Porter spent much time abroad, made a careful study, and had the different members of the commission with him dealing with the building program. It was thought best—and I think it should be carried on—that they should consider first these places where it is difficult for an American to live on account of the hot climate and malarial conditions of those hot countries. That was the first thought, to consider the smaller country, places that would be homes for men to live in something like the conditions they live in at home. The next thought was for those who represented us in the large cities of the world.

The United States is considered to be the greatest country in the world, and they think we have half the money of the world, and only about one-fifth of the population, and it seems to the American, the public-spirited American, the good, loyal American, that we should be as well represented in any foreign country as is any other government. That was the idea.

Now we have an expensive proposition in Buenos Aires, and we have another embassy that will cost some money in Berlin. I am very familiar with that situation. There is an old castle there that has come down through the ages which we are occupying to-day. And we are going to spend some money in Paris. The building location there, as many of you know, is in the very finest location in Paris. So the committee has carried out the idea of placing our buildings in commanding positions where they would represent the United States of America and do credit to our country.

Mr. WAINWRIGHT. I would like to ask the gentleman, if they have a program beyond the \$1,200,000?

Mr. SHREVE. There is not a dollar of that obligated.

Mr. WAINWRIGHT. Who determines it?

Mr. SHREVE. The commission and the Foreign Relations Committee.

Mr. WAINWRIGHT. And you have no program to carry on?

Mr. SHREVE. I will ask the gentleman from Pennsylvania, Doctor TEMPLE, to tell you about that before we get through.

Mr. COLE. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. COLE. The preference, I think, has been given to the capitals of countries where conditions of living are entirely different from this country. There are places where it is almost impossible for a representative of our Government to find a suitable place in which to live. As far as Europe is concerned, we have waited often until an opportunity came to purchase a desirable site or building at an advantageous price.

We already have a beautiful site in Paris. We bought the Paris site because it was available at a very reasonable price, an opportunity we could not afford to neglect. We did the same in Prague, and I happened to be there when we got a fine old building and got it at a low price. That is how we acquired many of these sites and buildings in European countries.

Property has been cheap, and when a desirable house or site was to be had, we have taken occasion to acquire it or to get an option on it. That is about the way the selections have been made.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. One of the members of the commission is the Representative from Maryland [Mr. LINTHICUM].

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. He is very familiar with the work of the commission and perhaps has had more to do with carrying out the plans of the commission than anyone, with the possible exception of the late Representative Porter. He can give information, if information is desired.

and besides that, as I understand it, the commission makes an annual report.

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. It is a very full annual report. I believe the report includes illustrations, so that anyone can easily get complete knowledge of all that has been done up to this time.

Mr. SHREVE. Mr. Chairman, I ask the gentleman from Maryland [Mr. LINTHICUM] whether he will add some further details to the statement that I have already made. Of course, I did not cover it fully, nor did I try to do so.

Mr. LINTHICUM. Mr. Chairman, I shall be glad to answer any questions in due time that anybody wants to ask me. I am going to speak on the bill after a time.

Mr. CARTER of California. About what proportion of the field has been covered by the buildings already erected and that may be erected with the money that is still available?

Mr. SHREVE. Of course, we must all realize that the next \$10,000,000, if it be appropriated, will go a good deal farther than the last \$10,000,000 because our expensive propositions are about completed; but we will have more buildings to erect, and I should say that another \$10,000,000 will pretty well round out the proposition.

Mr. ERK. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. ERK. The Foreign Service Buildings Commission is engaged in acquiring office buildings and residences in the capitals and large cities of foreign nations for the use of the Foreign Service of the United States. Over a period of 120 years, our Government sought to own its own property in the foreign capitals of the world. Over this great span of time legislation after legislation was introduced in the hope of meeting the requirements, but all failed to become a law. With your indulgence, I might transgress for a moment by relating a story as to the pressing need for such legislation:

A number of years ago, while in St. Petersburg (Lenin-grad), Mark Twain desired to secure a renewal of his passport. For several days he searched the city for the American Embassy. He finally located the embassy, which consisted of two and a half rooms located on the seventh and eighth floors of an office building. Two rooms were on the seventh floor and the half room on the eighth floor.

In his lofty humor and wit, for which he was eminently noted, he described the office force and contents of the embassy. The office force consisted of a secretary and an interpreter. The secretary was compelled to sell matches and shoestrings in the afternoons in order to make a living. The interpreter, when Twain called, was busily occupied in washing the windows and doing other chores about the office. The furnishings consisted of an old oaken table, several secondhand chairs, a broken mirror which cut off the image of a person's face about at the nose, a basin with a water pitcher on a stand—the handle of the pitcher had been broken off. There were several chromo pictures on the wall, mostly advertisements for steamship lines—something you would get for nothing.

The office was conspicuous by its many cuspidors, and under each cuspidor there was a mat, and on the mat the seal of the United States with the insignia—"In God we trust."

Since the enactment of the Porter bill, some two years ago, over 40 projects are either completed or under way. There are possibly 300 more to cover.

I want to impress the House with the fact that if our Government had to borrow the money to erect these buildings and pay interest at the rate of 4 or 5 per cent we would still save, in comparison with the rents that we are paying. The object of the Foreign Service Buildings Commission is to put all Government activities under one roof. To illustrate, in Paris our Government has 14 offices scattered in eight or more different parts of the city, and we want to concentrate all of those activities under one roof. In London our Government has 13 offices scattered in seven different parts of the city. But the point I want to particularly bring out is that the Government is actually saving money,

and if it had to borrow this money at 4 or 5 per cent it would still save in comparison with the rents that we are paying.

Mr. COLE. And what is more, we are saving our self-respect.

Mr. LINTHICUM. Mr. Chairman, I call the attention of the committee to pages 248 to 251 of the hearings devoted to the Department of State. There will be found a detailed report of all of the activities which have been carried on by the Building Commission, and what is now contemplated, and also the amount which has been expended and which is to be expended on the projects already adopted. It is hard to say how much it will cost to complete the program. This is a big world.

We have covered most of the places where the health situation in respect to sanitation is so bad, and we are now trying to cover most of the capitals of the world. London has been taken care of so far as the embassy home is concerned, but we have yet to erect an office building. Buenos Aires has been taken care of as to embassy home and the site for an office building has been purchased and a very handsome office building has been designed. Bids have been asked for it in Buenos Aires. In Paris bids will be asked for very shortly, I expect this month, for the erection of an office building on the Place de la Concorde. We have an embassy home in Paris. In Berlin we have made an offer. Whether that will be accepted or not, I do not know, but many Members of Congress have visited the site in Berlin and have pronounced it the finest site that could be procured in that capital. The paper carries to-day, I believe, an article in respect to the purchase in Rome, which adjoins the Queen's palace. It consists of two buildings, one of which we contemplate to change into a home for the ambassador and the other to make an office building of. It is a magnificent site, located in the center of Rome, and will be an outstanding situation in that great city. I suggest that the Members who are deeply interested in this subject will secure a report from the Committee on Foreign Affairs as to what has been done, including the pictures, and also that they look over pages 248 to 251 of the hearings referred to.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield to permit me to suggest that from a national and international standpoint there is nothing more important than what we have been discussing, and it is a subject of great gratification and should be one of great pride to us that finally we are proceeding along a line which will insure in the end that our activities abroad, diplomatic and consular, will have a proper setting and that our officials will be properly housed in a way comparable with such activities of other countries and befitting the dignity of our own country.

Mr. LINTHICUM. If this program is finally carried to a conclusion, there will be no country in the world as well provided with homes for embassies—office buildings so efficient and so desirably located as the United States.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. TEMPLE. I am very glad that the discussion has been directed to this point, and I take this opportunity to say to the House that I have introduced a bill which if it passes will authorize the Appropriations Committee in the future to appropriate at the rate of \$2,000,000 for any one year to a limit of \$10,000,000 for the further carrying out of the plans that have been under discussion. At a later time I shall make more definite remarks about that additional \$10,000,000.

Mr. SHREVE. Mr. Chairman, it has been my pleasure to visit a good many of these locations, and I assure the House that the commission has rendered a very valuable service to the country up to the present moment. Their work can not be adversely criticized, I am sure.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. WAINWRIGHT. Simply for the Record and the information of the committee—of what does this commission consist? How is it composed?

Mr. SHREVE. The gentleman from Pennsylvania, Doctor TEMPLE, will answer the gentleman.

Mr. TEMPLE. The Foreign Service Buildings Commission consists of seven members. If I may venture to mention the House of Representatives first, the gentleman from Maryland [Mr. LINTHICUM] and myself are the members from the House. Senator BORAH and Senator SWANSON are the members from the Senate. Secretary of State Stimson, Secretary of the Treasury Mellon, and Secretary of Commerce Lamont are the other members. The State Department, the Treasury Department, and the Commerce Department are as much interested in the foreign relations of the United States as any of the other departments. There are three Cabinet members and four legislative members.

Mr. WAINWRIGHT. Do they hold stated meetings? How do they operate?

Mr. TEMPLE. We hold meetings, not at any regularly appointed times. That is, we do not have a definite meeting day each month, but when there is business to be attended to a meeting is called.

Mr. WAINWRIGHT. Is there an organization, with a secretary, to consider problems presented?

Mr. TEMPLE. Mr. Keith Merrill, Foreign Service officer of the United States, is secretary, and I myself have the honor to be chairman of the commission. It is regularly organized, able to make contracts, has made contracts, and makes them all on the basis of contracts already authorized—the same form of contract that is used for other buildings of the United States. I know the gentleman from New York [Mr. WAINWRIGHT] is informed about the matter and is asking these questions for the purpose of getting the information in the Record, but if the Members will examine the reports of the commission they will find a very full statement of the work that has been done.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. LINTHICUM. There is a very complete office located in the State Department, of which Mr. Merrill is the executive officer and Mr. Phillips is engineer, and there are a number of clerks. Ten million dollars can not be spent all over the world unless there is a force to keep the accounts and look after the work. Visitations must be made to these various places where sites are selected and buildings are erected. Mr. Phillips has just returned, I think, from San Domingo and Venezuela. I was in Berlin, Paris, and London last summer. So we try to see the locations before we purchase them and then decide what is best to do.

Mr. SHREVE. The next item I desire to discuss is representation allowances.

REPRESENTATION ALLOWANCES

We have recommended for representation allowances for our foreign missions and consulates \$125,000, the same amount as the Budget estimate, which is an increase of \$33,000 over 1931. This increase is to provide increased

allowances to 67 foreign offices and will give allowances to 26 offices which are not now receiving any allowance.

Of course, these allowances are very small. They run from \$250 up to \$1,000, where the salary is large. These are new items which we thought should be carried.

RENT, HEAT, LIGHT, AND FUEL, FOREIGN SERVICE

This is a new item in the bill and is made up of appropriations heretofore carried under the heads of "Contingent expenses, foreign missions," "Contingent expenses, United States consulates," and "Immigration of aliens." It is a consolidation under one appropriation unit of the entire amount to be expended for rent, heat, light, and fuel for the Foreign Service of the State Department. For this purpose we have recommended \$1,567,332, the same amount as was contained in the above items for this purpose for the current year, and a decrease of \$67,227 under the Budget estimate. The amount recommended is based upon maximums for ambassadors and ministers ranging from \$1,200 to \$3,000, and maximums for Foreign Service officers ranging from \$575 to \$1,700 a year.

Mr. LINTHICUM will probably offer an amendment to the appropriation for rent, light, heat, and so forth, for the Foreign Service of the State Department, to include clerks and employees. The appropriation carried in the bill covers foreign officers only. The State Department has about 780 American clerks and employees in the Foreign Service who would be entitled to rent, heat, light, and fuel under the act of June 26, 1930, which would mean an additional appropriation of \$480,000, or an average per clerk of about \$615. I understand the Departments of Agriculture, Labor, and Treasury have estimated for their clerks as well as officers and that the amounts they asked for have been approved. It seems that the Federal employees are making a drive to have the clerks and employees provided with an allowance for rent, heat, light, and fuel the same as is carried for officers. The Commerce Department, under the act of April 12, 1930, can only give this allowance to its Foreign Service officers, as that act does not provide for such allowances to clerks and employees. The act of June 26, 1930, however, which is the act under which the State Department is operating, provides that this allowance may be paid to clerks and employees.

DEPARTMENT OF JUSTICE

Appropriations totaling \$51,239,201 are carried in the bill for this important department of the Government, an increase of \$5,843,279 over the present year, and a decrease of \$749,060 under the Budget estimate.

The following table will show the present appropriations, estimates submitted for the next fiscal year, and the committee's recommendations under the four major heads:

First. The Department of Justice proper.

Second. Bureau of Prohibition.

Third. Judicial.

Fourth. Penal and correctional institutions.

Object	Appropriations, 1931	Budget estimates, 1932	Amount recom- mended in the bill, 1932	Increase (+) or decrease (-), bill compared with 1931 appropria- tions	Increase (+) or de- crease (-), bill compared with 1932 estimates
Department of Justice proper.....	\$5,426,387	\$5,751,918	\$5,705,158	+\$278,771	-\$46,760
Bureau of Prohibition.....	9,000,000	11,350,680	11,369,500	+2,369,500	-161,180
Judicial.....	18,786,978	20,510,728	20,370,288	+1,583,310	-140,440
Penal and correctional institutions.....	12,182,557	14,194,935	13,794,255	+1,611,698	-400,680
Total.....	45,395,922	51,988,261	51,239,201	+5,843,279	-749,060

SALARIES, ATTORNEY GENERAL'S OFFICE

For salaries in the Attorney General's office the committee recommends \$1,282,120, an apparent increase over 1931 of only \$21,060 but an actual increase of \$99,000, which arises from the fact that the department is requesting the transfer of 34 employees heretofore paid from this fund and whose salaries total \$77,940, to the appropriation for "examination of judicial offices" in order to have all of the employees of the Division of Accounts on one pay roll. Then, too, an increase in personnel amounting to approximately

\$93,000 is included in our recommendation, and \$5,800 for automatic increases to comply with the Brookhart Act.

DETECTION AND PROSECUTION OF CRIMES

We have recommended for this purpose a total of \$2,978,520, which is an increase of \$197,101 over the current year. Most of the increase is due to new personnel, both in the department and in the field, made necessary by the greatly increasing number of investigations which the bureau is called upon to make.

BUREAU OF PROHIBITION

The act of May 27, 1930, created a Bureau of Prohibition under the Department of Justice, and appropriations for this bureau, which up to this time have been carried in the bill appropriating for the Treasury and Post Office Departments, will now be carried in this bill.

For this bureau the committee recommends \$11,369,500, which represents an increase over the appropriation for the current fiscal year of \$2,369,500. The items making up this increase are listed in the report accompanying this bill. I might say, however, that the two largest items of increase are for new personnel, \$1,614,260, and travel expense, \$356,581.

PENAL AND CORRECTIONAL INSTITUTIONS

For the various penal and correctional institutions, including support of Federal prisoners in State institutions, and the Federal probation system, we have recommended a total of \$13,794,255, an increase over 1931 of \$1,611,698, which is distributed according to the table in the back of the report accompanying the bill. An amount is included for the maintenance and operation of the new northeastern penitentiary, located in Pennsylvania, which it is expected will be ready for occupancy during the next year, and \$500,000 is recommended for beginning the construction of a United States reformatory in the southwestern section of the country, a site for which has been offered to the Department of Justice by the War Department on the Reno quartermaster depot military reservation, Oklahoma.

This site is offered to us free and it costs nothing to establish the reform school there. It is really a penitentiary for the accommodation of the people who are sent to such institutions where the crimes are not of such a serious nature.

SALARIES AND EXPENSES, UNITED STATES DISTRICT ATTORNEYS

There is an increase recommended in this appropriation over 1931 of \$137,370 due to the discontinuance of the separate appropriation for salaries and expenses of regular assistants to district attorneys and the inclusion in this appropriation of the amount heretofore carried under that head, and the transfer also to this appropriation of \$21,000 for salaries and expenses of district attorneys, Territory of Alaska. This recommendation also includes \$64,870 for new personnel.

That is brought about in the courts we have created in the last few years which had to be fully equipped and manned.

FEES OF JURORS AND WITNESSES, UNITED STATES COURTS

The bill carries an increase in this item of \$500,000 over the current year due to the increase in the number of judges, in consequence of which there will be a larger number of terms of court, and it is also due, according to the department, to the amendment to the national prohibition act known as the Jones Law, which increases materially the number of trials by jury and decreases the number of pleas of guilty.

Mr. COLE. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. COLE. Does the Alaska appropriation include appropriations for the railroad?

Mr. SHREVE. No. We do not handle the railroad appropriation. We just handle the courts. We are consolidating the courts with all the rest of the courts of the United States, so that they will all be handled in one lump sum.

Before leaving the Department of Justice I desire to call the attention of the House to a little change in the language which we found necessary. It is to be found on page 31 of the report.

You will remember that for some time we have been carrying appropriations for probation officers. The act as it was first passed did not satisfy the judges because they had nothing to say about the men who were to be selected for these positions, but after a time we brought it around until nearly all United States courts in the United States to-day are desirous of having these probation officers. We found, when we began to examine the law, that while the United States Government is paying the bills really we were losing control of the whole situation. So we devised a plan to add some language that would make it so that the United

States Attorney General would have something to say about the men who are to fill the positions. In other words, if they did not fill them he would be in a position to take them out. This law provides:

That no part of this or any other appropriation shall be used to defray the salary or expenses of any probation officer who does not comply with the official orders, regulations, and probation standards promulgated by the Attorney General.

That is what we want to get in so that the Attorney General would still have control of it.

Mr. COLE. Will the gentleman yield for a question?

Mr. SHREVE. I yield.

Mr. COLE. The probation officers are appointed by the judges, are they not?

Mr. SHREVE. Yes; but they were under civil service at one time.

Mr. COLE. I understand that at the present time they are appointed by the judges.

Mr. SHREVE. I think the gentleman is correct.

Mr. COLE. Do they have to be confirmed by anyone?

Mr. SHREVE. By the Attorney General.

Mr. COLE. Is the appropriation in this bill sufficient to furnish a probation officer for every district in the United States?

Mr. SHREVE. In nearly every one. Of course, some of the districts have never asked for a probation officer, but there is enough in this bill to at least take care of all of the needs and requirements placed before the committee.

Mr. COLE. I am interested in the matter because the northern district of Iowa is very anxious to get a probation officer.

Mr. McMILLAN. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. McMILLAN. Did the committee have any testimony in its hearings from the Department of Justice with reference to the funds necessary for court stenographers in the various district courts of the country?

Mr. SHREVE. We make a special appropriation and, of course, it is up to the courts to employ their own stenographers.

Mr. McMILLAN. The point I want to present to my friend is that in a great many of the district courts no allowances are made to provide for the payment of court stenographers. I know that in my State a resolution was passed by the bar association calling attention to that fact, and requesting that attention be given to the proposition of having funds available for such expenses.

Mr. SHREVE. There was a time when the court stenographers were very poorly paid, but I think that was taken care of in our last appropriation; that is, the money which will be available on the 1st day of July. I think that will be enough to take care of the stenographers.

DEPARTMENT OF COMMERCE

The Department of Commerce is one of the largest and most important departments of the Government. For its 13 different services and bureaus we have recommended a total of \$54,041,941 for the next fiscal year, which is a decrease of \$577,544 under the amount appropriated for the current year due to the fact that the amount included for the taking of the Fifteenth Decennial Census is \$2,226,420 less than was appropriated for this purpose for the fiscal year 1931. The following table will show the division of the amounts recommended:

Appropriations recommended for the Department of Commerce

Bureau or office	Appropriations, fiscal year 1931	Estimates, fiscal year 1932	Recommendations in bill for 1932	Increase (+) or decrease (-), bill compared with 1931 appropriations	Increase (+) or decrease (-), bill compared with Budget estimates
Office of the Secretary.....	\$1,570,595	\$1,375,380	\$1,371,540	-\$199,055	-\$3,840
Aeronautics branch.....	9,204,830	10,375,000	10,342,300	+1,137,470	-32,700
Radio division.....	600,000	680,000	500,000	-180,000	-180,000
Bureau of Foreign and Domestic Commerce.....	5,086,660	5,401,400	5,231,760	+145,100	-169,640
Bureau of the Census.....	8,497,000	6,271,000	6,270,580	-2,226,420	-420

Appropriations recommended for the Department of Commerce—
Continued

Bureau or office	Appropriations, fiscal year 1931	Estimates, fiscal year 1932	Recommendations in bill for 1932	Increase (+) or decrease (—), bill compared with 1931 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
Steamboat Inspection Service.....	\$1,373,355	\$1,413,640	\$1,395,120	+\$21,765	-\$18,520
Bureau of Navigation.....	394,300	500,780	496,280	+101,980	-4,500
Bureau of Standards.....	3,485,671	2,889,270	2,874,570	-611,101	-14,700
Bureau of Lighthouses.....	11,437,700	12,161,010	12,072,680	+634,980	-88,330
Coast and Geodetic Survey.....	3,020,104	3,019,111	3,063,056	+42,952	-28,055
Bureau of Fisheries.....	2,623,060	2,907,500	2,905,540	+282,480	-1,960
Patent Office.....	4,873,730	5,254,750	5,236,750	+363,020	-18,000
Bureau of Mines.....	2,549,480	2,314,385	2,278,765	-270,715	-35,620
Total regular annual appropriation, Department of Commerce.....	54,616,485	54,635,226	54,038,941	-577,544	-596,285
Permanent annual appropriations.....	3,000	3,000	3,000		
Total annual and permanent annual appropriations, Department of Commerce.....	54,619,485	54,638,226	54,041,941	-577,544	-596,285

OFFICE OF THE SECRETARY

For salaries, office of the Secretary, we have recommended \$341,540, an apparent decrease under the appropriation for 1931 due to a nonrecurring item carried for 1931 for additional personnel to comply with a resolution passed by the Senate calling for a survey and report upon the claims against the United States Grain Corporation growing out of a certain contract referred to as the "Grain dealers' agreement," but an actual increase over 1931 of \$12,380 in the estimate for 1932 to be used for the employment of new personnel and to comply with the Brookhart Act.

CONTINGENT EXPENSES

For 1931 the appropriation for this purpose was \$500,000, which included a deficiency appropriation of \$200,000 to furnish and outfit the new Department of Commerce Building.

We thought it was very wise and proper to begin the furnishing and equipment of that building, because the various departments will be occupying this building during the next year, and we wanted to give them every opportunity to get settled quickly.

For 1932 we are recommending \$280,000, a real increase for the next year over the current year of \$12,500, which is explained by the fact that last year there was included in this appropriation for contingent expenses \$32,200 for the Patent Office, which is this year being carried under the appropriation for the Patent Office.

I will say that the Patent Office has been short of funds for this purpose for some time, but we have been gradually trying to catch up by giving them a little more every year, and I think they will now be able to take care of their printing better than ever before.

PRINTING AND BINDING

For all printing and binding for the Department of Commerce, including all of its bureaus, offices, institutions, and services, except the Patent Office and the Bureau of the Census, the committee recommends \$750,000, an increase of \$105,000 over 1931. This increase is distributed over nine of the department's bureaus and services.

AERONAUTICS BRANCH

This appropriation is made under two heads, "Aircraft in commerce" and "Air navigation facilities." For the first we have recommended \$1,369,660, an increase over this year of \$108,830. This division covers expenses of administration, inspection and licensing of aircraft, examination and licensing of pilots and mechanics, enforcement of air-traffic rules, inspection and rating of airports and other regulatory functions, as well as dissemination of information relative to commercial aeronautics, promotion of trade and encouragement of local governments in the establishment of airports,

and so forth. The increase is required to enable the department to handle the increasing volume of work.

I have here a statement, which I will submit for the RECORD, which compares, in summary, the estimated expenditures under this division for 1932:

AIR NAVIGATION FACILITIES

For the purpose of establishing and maintaining civil airways, equipped with intermediate landing fields, boundary and beacon lights, telegraphic, telephonic, and radio communications, and weather-reporting service, we have recommended a total of \$8,972,640 for the next fiscal year, an increase of \$1,028,640 over the current year. This appropriation will provide for the maintenance and operation of the existing air navigation aids on airways, which at the end of the fiscal year 1931 will total 17,500 miles, and for the establishment and maintenance of aids on 2,000 miles of additional airways, as follows: Los Angeles-Kansas City, 140 miles; San Antonio-Big Springs, 260 miles; Dallas-Louisville, 795 miles; Fort Worth-Birmingham, 620 miles; San Antonio-New Orleans, 520 miles; and Amarillo-Oklahoma City-Tulsa-St. Louis, 730 miles. Out of this appropriation the department will also establish 10 additional radio stations, 30 additional radiobeacons, 40 additional radio marker beacons, and extend the teletype weather-reporting system over an additional 4,400 miles of airways.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

We now come to the Bureau of Foreign and Domestic Commerce, for which the committee recommends a total of \$5,231,760 for the next fiscal year, an increase of \$113,220 over 1931, which increase is distributed over the various activities of the bureau, as shown in the report accompanying this bill.

The Members of the House will, I think, be very much interested in a brief account of a notable service which is being provided by the Bureau of Foreign and Domestic Commerce for business men in every part of the country. This service is a direct attack on the wastes in distributing our merchandise which result in unjustified "spreads" between production costs and consumers' buying prices in particular trades and which cumulatively may be regarded as a most definite obstacle to a return of business stability and normal conditions of employment. Here is a Government bureau which, without fuss or feathers or enormously enhanced demands on Congress for additional appropriations, is quietly and effectively working with organized trade groups in solving their many uncertainties and perplexities in selling their goods profitably for themselves and economically to their customers.

After years of experiment the department has worked out with industry definite and practical principles which manufacturers, wholesalers, and retailers can follow in planning profitable sales programs and in eliminating wasteful methods which unbeknown to them have been sapping their commercial vitality. Services have been made available through national trade associations and through local groups of business men which will enable the independent merchant of whatever size or type of organization to determine how much and what kind of goods he can sell at a profit and to break down his distribution costs in such a way that he can determine what kinds of goods, which sales territories, and what class of customers he can profitably serve. In these ways there is being put into his hands definite and practical information from which he can detect the hidden wastes and leakages of profits in his business which, if not checked, will lead to commercial suicide. Once he knows definitely wherein his methods are destroying his business, his native intelligence will show him the way to correct them.

Permit me to say that in our spirit of economy, when we were trying to save some money, we cut off \$50,000 from this very valuable service, but before we finished the hearings and reported the bill we put the \$50,000 back, so that if anybody has heard about the \$50,000 and asks you questions about it, tell them it is still in the bill.

This House has appropriated hundreds of millions of dollars in emergency relief measures in an effort to alleviate the worst effects of these inefficiencies after they have had

an opportunity to accumulate into a staggering load of national economic distress. Here is a bureau with a relatively insignificant appropriation, moving in the direct, practical way which has always distinguished its operations to help business apply the fundamental remedies through which, and through which only, our commercial structure finally can be purged of the evils that are undermining it.

This bureau is now giving the people of the United States the benefit of their advice and counsel, and I am sure the appropriation is very worth while.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. I would like to ask the gentleman this question: The gentleman has indicated that he travels a good deal abroad and, of course, he takes the opportunity of looking into the work of our Foreign Service officials and of the agents of the Department of Commerce who are engaged in business outside of this country. Does the gentleman get an impression that the efficiency of administration is increasing and that the personnel is improving, speaking particularly with reference to the agents of the Department of Commerce?

Mr. SHREVE. I am very glad the gentleman mentioned that fact, because it was the greatest surprise of my life to find men of such high standing and caliber and men who were prominent in affairs at home filling those positions all over the European countries—a wonderfully fine lot of men, men who are drilled and educated in the work they are doing, and I am sure every American would be proud to visit any one of those men. I covered about 29 or 30 cities in which they were located, and I found them to be a remarkable body of men. I expected to find some average men, men who had gone into the service in one way or another, but instead I found men who had been carefully selected on account of their experience and ability, and they are rendering a most valuable service to the people of the United States.

Mr. COLE. May I add that it was my pleasure to visit most of the countries of South America a short time ago, and what the chairman of the subcommittee has said about our representatives in European countries is equally true about our representatives in South America. I found them to be a fine set of fellows—men who know the business they are trying to transact and who are thoroughly in sympathy not only with their home country but also with the countries to which they are assigned.

Mr. MOORE of Virginia. They measure up pretty well to the standard fixed for public service in the State of Iowa.

Mr. COLE. Well, almost. [Laughter.]

Mr. EATON of New Jersey. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. EATON of New Jersey. Last year we put through the House a bill authorizing appropriations for rent, light, fuel, and heat for the representatives of our country in foreign countries. Have you any appropriation for that in this bill?

Mr. SHREVE. Absolutely, and I just passed that a moment ago. The amount is \$210,000.

Mr. EATON of New Jersey. Does that cover the lower grades?

Mr. SHREVE. It does not cover the clerks, and we never planned it to cover the clerks.

Mr. EATON of New Jersey. Why did it not cover the clerks? If the clerks are American citizens are they not entitled to the housing provided in that bill?

Mr. SHREVE. I will say that this is a new proposition; we just started it last year, and from the best information we can get there was no demand at that time that we go clear down to the bottom of the ladder and take care of the clerks. In fact, the act of April 12, 1930, authorizing this appropriation for the Foreign Service of the Department of Commerce provides for officers only.

Mr. EATON of New Jersey. That was the intention of the bill.

Mr. SHREVE. Not as far as we were concerned. There are various provisions with reference to the various departments.

Mr. EATON of New Jersey. The bill which was put through from the Foreign Affairs Committee had as its object the care of all our representatives abroad, and we think you ought to begin at the bottom instead of the top.

Mr. SHREVE. Well, the Rogers Act was passed in 1924. It provided for the Department of State, but nothing was done about it until last year.

Mr. EATON of New Jersey. The Department of State has been too modest in its demands.

Mr. LINTHICUM. If the gentleman from Pennsylvania will yield, I will say to the gentleman from New Jersey that the opinion which the gentleman has stated with reference to that bill is the opinion I had about it, namely, that the men all the way down would get something; but I find it is only applied to men in the career service. They are entitled, of course, but so are the clerks in the Foreign Service. In the Departments of Treasury, Agriculture, and Labor they get it all the way to the lowest grades. Why should not it be the same in the Foreign Service?

Mr. SHREVE. There are not so many of those men and it is not so expensive.

Mr. EATON of New Jersey. We have only about 600 of these people, and it seems to me a gross injustice to take care of people who are able to take care of themselves and not take care of those who are not able to take care of themselves.

Mr. McMILLAN. Let me ask the chairman in that connection, what is the policy of the committee with regard to making such provision as the gentleman refers to in the future? The gentleman says that he has not done so thus far; is it the intention to inaugurate such a policy at a later date?

Mr. SHREVE. The policy of the committee is that we are the representatives of the House, and whatever is the policy of the House shall become our policy.

Mr. McMILLAN. The policy of the House, it seems, has already been expressed in the passage of the law that the gentleman refers to.

Mr. SHREVE. There was no recommendation made by the Bureau of the Budget, and there was nothing said about it by the Department of State or any other department, and we did not hear a thing about it until we brought the bill on the floor of the House here.

Mr. McMILLAN. But the committee has authority under the law referred to to inaugurate such a policy.

Mr. SHREVE. It would not be proper to make suggestions to all these people as to what they should do.

Mr. OLIVER of Alabama. If the gentleman will permit, I may say to the gentleman from South Carolina [Mr. McMILLAN] it is very easy to suggest what should be done, but the gentleman must remember that the Congress does not always act hastily on these matters. There are other services, and if we begin to provide for the clerks in one service what are we going to do with respect to other services like for, say, the five allied services—Army, Navy, Public Health, Coast and Geodetic Survey, and Coast Guard? Are you going to provide the same thing for all other services? It goes a long way. The time has come when you must begin to economize somewhere and fix some limit, and you certainly can not set an example for one service and think it will not be extended to all other services.

Mr. EATON of New Jersey. We are extending it to other services.

Mr. McMILLAN. If the gentleman will permit, I understood the gentleman from Maryland a moment ago to state that in three of the other departments these employees are taken care of all the way down the line. It does seem strange to me that we should make a distinction of these employees in the Department of Commerce who are in the same classification. That is the only point I have raised, and if we have got the authority it seems to me that this distinction should not prevail.

Mr. DUNBAR. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. DUNBAR. This bill provides for the making of appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, and the report on page 3 states under the heading of salary increases:

The Budget estimates for the four departments contained the following sums, distributed over the various items, as the first year's increment under the 3-year program for increases in salaries in the so-called underaverage grades.

And then further on in the next paragraph it states:

The bill contains the amounts for salary increases made necessary by the act of July 3, 1930 (Brookhart Act).

Under the Brookhart Act will not all the departments be entitled to this increase as provided in the various appropriation bills?

Mr. SHREVE. As I understand, the Brookhart Act is in force in all the departments coming under that act, and we should make appropriations to carry out the provisions of that act. Increases under the Brookhart Act are really automatic.

Mr. DUNBAR. The discussion we have had here, to my mind, indicated that it was not being carried out. Was I wrong?

Mr. SHREVE. Everything under the Brookhart Act is being taken care of.

Mr. DUNBAR. I know all the appropriations in departments above mentioned are as provided in the Brookhart Act, but are all the other appropriations in other departments?

Mr. SHREVE. Yes; I think all of them.

BUREAU OF THE CENSUS

For the Bureau of the Census the committee recommends \$6,270,580, which is the third increment out of a total authorization of \$39,593,000 for the taking of the fifteenth decennial census; \$24,740,000 of the total authorization was appropriated during the fiscal year 1930, and for 1931 the Congress appropriated \$8,497,000. The amount carried in the bill for the fiscal year 1932 is \$2,226,420 under the appropriation for 1931.

BUREAU OF NAVIGATION

For the Bureau of Navigation and its various activities we have recommended a total of \$496,280 for 1932. This is an increase over 1931 of \$101,980; \$90,000 of this increase is for the purchase and operation of a new vessel to be used in enforcing the navigation laws, and the balance is for some new personnel and increases in salary to comply with the Brookhart Act.

BUREAU OF STANDARDS

The amount recommended for the Bureau of Standards for 1932 is \$2,874,570, which is practically the same as the Budget estimate, the difference being the amount of promotions deducted by the committee. This is \$611,101 less than the appropriation for the current year, the greater portion of which is due to nonrecurring items, such as the construction of a hydraulic laboratory, for which a deficiency appropriation of \$350,000 was made, and an item of \$40,000 to replace one track-scale car. The balance of the decrease is distributed over 22 activities under this head.

BUREAU OF LIGHTHOUSES

For the seven activities under the Bureau of Lighthouses the committee has recommended a total of \$12,072,680, which is divided as follows:

Salaries in Washington \$112,800, an increase over 1931 of \$2,800 for new personnel.

General expenses \$4,550,000, an increase of \$50,000 over the current year.

Salaries of keepers of lighthouses \$2,105,280, an increase over 1931 of \$35,280, which is required to comply with the Brookhart Act.

Salaries, lighthouse vessels \$2,402,260, an increase of \$33,900 over 1931, most of which is for new personnel.

Salaries, Lighthouse Service, \$652,340, an increase of \$11,000 over 1931, which is for new personnel, and to comply with the Brookhart Act.

Retired pay \$380,000, an increase over 1931 of \$56,000, which is necessary to meet the increasing liabilities under this appropriation.

Public works \$1,870,000. This provides for the construction or purchase and the equipment of lighthouse tenders and light vessels, and for the establishment and improvements of aids to navigation, and so forth. This is an increase of \$446,000 over 1931, \$400,000 of which is for the construction of vessels, and so forth, and \$46,000 is for the establishment and improvement of aids to navigation and other works.

COAST AND GEODETIC SURVEY

For the Coast and Geodetic Survey we recommend \$3,063,056, an increase of only \$42,952 over 1931, most of which is for the employment of new personnel.

BUREAU OF FISHERIES

For the Bureau of Fisheries we have recommended \$2,905,540, or \$282,480 more than was appropriated for the current year. This increase is distributed among the various activities of the bureau, and is set out fully in the report accompanying this bill.

PATENT OFFICE

There is an increase of \$363,020 recommended for the Patent Office, or a total of \$5,236,750, as compared with \$4,873,730 for the current year. This increase has been distributed as follows:

Salaries \$27,070, which is for new personnel.

Purchase of books, and so forth, \$36,980, which is due to the fact that heretofore the contingent expenses of the Patent Office were paid from contingent expenses, Commerce Department, but will now be paid out of this appropriation.

Photolithographing, \$80,000, made necessary by the increased demands made on the Patent Office for copies of patents, and so forth. The committee increased this item \$30,000 over the amount of the Budget estimate, believing it to be a good investment because we were told by the Commissioner of Patents that for every \$6 expended under this appropriation he is able to put \$10 back into the Treasury.

Furniture and filing cases, an increase of \$168,970 to provide steel filing cases and some steel furniture when the Patent Office moves into the new Department of Commerce Building.

Printing and binding, \$50,000, due to the greatly increased number of patents which it is estimated will be issued during the fiscal year 1932. This money is all spent at the Government Printing Office.

BUREAU OF MINES

For the Bureau of Mines we have recommended a total of \$2,278,765, which is a decrease under the appropriation for 1931 of \$270,715; \$213,180 of this decrease is due to the fact that the helium plant at Amarillo, Tex., is nearly completed, so that only \$93,010 will be required during the year 1932 as compared with \$306,190 for 1931. There is an increase for 1932 in but two activities under the Bureau of Mines, and that is \$28,990 under the head of "Operating mine rescue cars and stations," which is for new personnel, the purchase of automobiles, and the erection of a garage at Jellico, Tenn., and \$15,060 under the head of "Economics of mineral industries," for new personnel.

DEPARTMENT OF LABOR

The committee has recommended for the conduct of the Department of Labor for the fiscal year 1932 a total of \$13,330,200, an increase of \$1,609,030 over the current year, the greater part of which increase is for the Bureau of Immigration. I will submit for the Record a table showing the appropriations for 1931 for the various activities under the Department of Labor, the committee's recommendation for the fiscal year 1932, and the increase or decrease for 1932:

Appropriations for the activities of the Department of Labor

Office	Appropriations, 1931	Recommendations in bill for 1932	Increases for 1932 over 1931
Secretary's office	\$778,760	\$847,360	+\$68,600
Labor Statistics	360,980	440,480	+79,500
Immigration	9,012,960	10,434,160	+1,421,200
Naturalization	1,156,970	1,149,020	-7,950
Children's Bureau	368,000	395,500	+27,500
Women's Bureau	158,500	179,900	+21,400
Employment Service	385,000	383,780	-1,220
Total	12,221,170	13,830,200	+1,609,030
Permanent annual appropriations	9,000	9,000	-----
Grand total	12,230,170	13,839,200	+1,609,030

I wish to say that the newly appointed Secretary of Labor came before the committee with a very strong recommendation for money to increase the number of people who may be deported from the United States annually. We found that the department had made demand upon the Bureau of the Budget and had been refused. So your committee took the responsibility of having an interview with both parties, the Director of the Bureau of the Budget and the new Secretary of Labor, Mr. Doak, and his assistant, and as a result of our efforts the Budget submitted a supplemental estimate for \$500,000 which we included in the bill. This will give the Department of Labor an opportunity to increase very materially the number they are deporting every year.

The CHAIRMAN (Mr. ARENTZ). The time of the gentleman from Pennsylvania has expired.

Mr. SHREVE. Mr. Chairman, I yield myself five minutes more.

The CHAIRMAN. Without objection, the gentleman is recognized for five additional minutes.

Mr. SHREVE. We are going to help the Secretary of Labor all we can, and I am satisfied he will send out of the United States a very large number of people who are undesirable and should be deported.

SALARIES, SECRETARY'S OFFICE

The amount recommended by the committee for salaries, Secretary's office, is \$216,060, an increase of \$6,300 over 1931, which is to provide for three new employees.

PRINTING AND BINDING

There is an increase in this item over 1931 of \$56,000. This increase is distributed among the different bureaus and services of the department and is explained in detail on page 6 of the Department of Labor hearings.

BUREAU OF LABOR STATISTICS

For salaries and expenses of the Bureau of Labor Statistics we have recommended \$440,480, which is an increase over 1931 of \$79,500. This increase is necessary in order that the bureau may comply with the act of July 7, 1930, which act provides that the Bureau of Labor Statistics shall collect, collate, report, and publish at least once each month full and complete statistics of the volume of and changes in employment. The act I have mentioned did not carry any appropriation for this purpose.

BUREAU OF IMMIGRATION

This year we are recommending a total of \$10,434,160 for the Bureau of Immigration, an increase over 1931 of \$1,421,200. The increase includes \$500,000 additional for deportation of aliens, and the balance is due to additional personnel, \$70,000 to provide allowances for living quarters, heat, light, and fuel for officers and employees of the service stationed in foreign countries, in accordance with the provisions of the act approved June 26, 1930, and \$351,000 under the head of immigration stations, the bulk of which is to be expended at Ellis Island for repairs to the station and to the ferryboat there.

CHILDREN'S BUREAU

For salaries and expenses of the Children's Bureau the bill carries \$395,500, or an increase over 1931 of \$27,500. The increase is for additional personnel and travel expense.

WOMEN'S BUREAU

For this activity of the Labor Department the committee recommends \$179,900. This represents an increase over the

current year of \$21,400, and is for the purpose of carrying on the study of the hazards to women employed in industry.

Mr. GIBSON. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. GIBSON. This is an appropriation bill for the Department of State, the Department of Justice, the Department of Commerce, and the Department of Labor. Your committee received from the President the Budget estimate?

Mr. SHREVE. That is correct.

Mr. GIBSON. On the last page of the report it shows that the Budget estimates for the departments concerned for 1932 are \$138,304,193.34.

Mr. SHREVE. That is correct.

Mr. GIBSON. And the appropriation in this bill is \$135,942,901.24. That shows a saving or a decrease or a cutting off from the Budget estimate of \$2,361,292.

Mr. SHREVE. Yes.

Mr. GIBSON. It is an actual cutting down of the Executive Budget estimate?

Mr. SHREVE. It is a cutting down of the estimate that came before the committee. I will say to the gentleman that during the 10 years that I have handled this appropriation bill it has been our ambition every time not to exceed the Budget estimate. As long as we are under the Budget estimate, the amount recommended by the Treasury Department, we know that we are going along on a sound business basis.

Mr. GIBSON. During the last 10 years you have, generally, reported bills carrying less than the Budget estimates?

Mr. SHREVE. We have, every time.

Mr. GIBSON. The gentleman is aware that press and magazine articles accuse Congress of being extravagant and wasteful with the public funds. Is there any basis which the gentleman can conceive of as justification for such statements in the public press and the magazines?

Mr. SHREVE. I will say to the gentleman that as far as my observation goes, which covers these departments for many years, I do not know of any money that is extravagantly appropriated, and I do not know of any money that is not well spent. The committee has spent a great deal of time and it is well informed of the various activities, and the committee is not aware of any money being spent in a wasteful manner.

Mr. GIBSON. I think the committee and this subcommittee have been doing splendid work. The point I wish to bring out is that the committee is ever watchful of the expenditure of the public funds and in nearly every case it cut down under the presidential Budget estimate.

Mr. SHREVE. That is correct.

Mr. DYER. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. DYER. I want to ask the gentleman about several matters, but because of the lack of time I will ask him only at this time about the amount appropriated for the United States Court of China. I find, on page 28 of the bill, that the total amount is \$41,650. The judge of the court receives a salary of \$10,000, which would leave \$31,650 to pay the salaries of the United States attorney, the United States marshal, the clerk of court, and the assistants to the officials of the court, as well as the messengers, and so forth.

I was in hopes that the committee would provide for some additional money to give to these employees of the Government in this far-away station which would enable them to live decently. What was the thought of the committee as to providing an increase for these officials of the Government?

Mr. SHREVE. The committee recognized the fact that the men in China are drawing the same salaries that they had in 1905 and 1907. The committee would have been very happy to make some increase, but unfortunately we were carrying out a program of having no step-ups. In order to be consistent, we could not very well give China an increase in salaries when we did not give any to the people of the United States.

Mr. DYER. I think the gentleman and his committee probably took the wrong viewpoint, because of the fact that these officials and employees are not in the classified service, and the attitude of the Congress toward them ought to be different from those working in the United States. Their salaries at the present time are entirely inadequate. They are far away in a foreign country and have no opportunity of earning any money other than what this Government pays them in connection with their work in this court.

The gentleman, of course, knows that the Department of State asks an increase for this court of \$4,800, being a \$600 increase in the present salaries of six of the officials and employees. Judge Purdy also urged this increase. I read from the hearings on the Department of State appropriation bill as follows:

Mr. SHREVE. Judge Purdy is somewhere in the city. Has he been before the committee?

Mr. CARR. He has not been before the committee, and I am sorry to say that he left yesterday morning on his way back to Shanghai. He feels very strongly about this. He talked with me several times about this increase which the Secretary has recommended. Of course, it was submitted on his recommendation. It means a promotion of the assistant clerk of the court from \$2,400 to \$3,000; the stenographer and court reporter from \$2,400 to \$3,000; two stenographers, \$1,800 to \$2,400; deputy marshal from \$1,800 to \$2,400; three assistant deputy marshals, \$1,200 to \$1,800. The judge feels that living expenses have considerably increased in Shanghai; the difficulties of living have increased and these people are getting small salaries for the responsibilities which they have. The judge feels very strongly that in justice to them and in justice to the kind of work they do and the conditions under which they live they ought to have a modest increase.

Mr. SHREVE. Their salaries have not been increased since 1906 or 1908, have they?

Mr. CARR. Their salaries have not been increased at all since they were first appropriated.

Mr. HENGSTLER. I think not; not any of these.

Mr. CARR. The judge's salary was increased by the general court act.

Mr. OLIVER. The judge came to see me about it. He said he would also see Mr. SHREVE if he had an opportunity. The reason he came to me and to some of the individual members that were available was the fact that he was called away and was prevented from appearing before the committee. He made to me substantially the same statement as you have outlined.

As indicating the intense interest that Judge Purdy feels in reference to this matter, he asked permission to state reasons why he felt these increases should be granted. Mr. Carr correctly set out the reasons for the increases which Judge Purdy expressed.

Mr. CARR. Great Britain and certain other great powers maintain courts in China, either independent courts or consular courts. The United States Court for China finds its origin in old treaties with China which conferred upon consular officers judicial jurisdiction over American citizens and suits against American citizens in China. China relinquished that jurisdiction to the American consuls, then it was found that the number and difficulty of the cases had grown so much that the consuls did not possess the qualifications or the judicial knowledge that was necessary properly to dispose of them. Therefore, an independent court similar to a district court in the United States was established. It was given the jurisdiction which the treaties conferred upon consuls.

This court was created by the act of June 30, 1906, and given exclusive jurisdiction over all cases and judicial proceedings at that time within the jurisdiction of the American minister and consuls except civil cases where the sum involved was not over \$500 United States gold, and criminal cases where the punishment for the offense would not exceed \$100 fine or 60 days' imprisonment, or both. In the latter class of cases the court was given appellate jurisdiction and was charged with supervisory control over the exercise of consuls and vice consuls of the duties prescribed by law relating to estates of decedents in China.

An increase of \$4,800 in the appropriation for the United States Court for China is recommended by the judge of the court for promotions as follows:

Assistant clerk of the court.....	\$2,400-\$3,000
Stenographer and court reporter.....	2,400-3,000
2 stenographers.....	1,800-2,400
Deputy marshal.....	1,800-2,400
3 assistant deputy marshals.....	1,200-1,800

The judge states that the assistant clerk of court and the stenographer and court reporter should receive at the very least \$3,000 a year and the stenographers \$2,400. With regard to the deputy marshal and assistant deputy marshals he says that the present salaries are very inadequate. They are forced to maintain their homes, pay municipal taxes, meet high rates in light, water, and heat, clothe and feed themselves and families at a cost far greater than it would be in the United States. The costs of living here are at least 60 per cent higher than they were five years ago. Therefore, it is urgently requested that a raise of \$50 a month per man be granted.

Mr. SHREVE. I think there is a good deal of merit in what the gentleman said, but we are in the unfortunate position of handling increases in salary in such a way that we did not think that we could make an exception of those in China.

Mr. DYER. My information is that, in order to keep those men there, it has been necessary to ask the Department of State again and again to advance some money out of another fund to pay them. I think it would be much better if the committee would allow the increase, which I understand amounts to very little.

Mr. SHREVE. It is very small.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. RANKIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 45 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman and gentlemen, I propose to discuss a question concerning which there has been a campaign or propaganda carried on more extensively than has been the case in respect to any measure that has come to this House during my stay here. It is a matter which so vitally concerns the welfare of the entire country that no Member can afford to be indifferent to it. Therefore I will greatly appreciate the courtesy of Members if they will remain on the floor and listen to the discussion. On December 3 and again on December 8 last I addressed the House on the Capper-Kelly price fixing bill. In those speeches I sought to direct the attention of the House to its objectionable features, and to demonstrate that it is not only economically unsound and indefensible, but that in operation it will have the opposite effect to that which is claimed for it. My effort at this time will be to reinforce the arguments heretofore made and give cumulative reasons why the bill should not pass; but let me say to you that before any conclusion is drawn that Members are willing to act upon, they should consult the decisions of the Supreme Court and thus familiarize themselves with the conditions therein dealt with, in order to have a better appreciation of what is sought to be done by this measure.

In the speech made on the 8th of December last I said that price-fixing privileges as proposed by this measure were limited to manufacturers and producers, but this statement was erroneous. The subject matter of the contract is identified in the bill as—

A commodity which bears (or the label or container of which bears) the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class produced by others.

But any owner of such commodity may make contracts concerning resale price. In other words, ownership is made the test of the right to make price-fixing contracts, and not production, as I am told, was the intention of the committee in adopting the amendment to the bill which relates to the fixing of retail prices, so far as the first transaction of sale is concerned. If the act is adopted, legalizing, so far as Federal law is concerned, contracts relating to interstate traffic, they would still be subject to attack. The bill deals with a single contract between the vendor and the vendee, but how can the principle of control of resale price be enforced except the particular contract becomes one of a system of contracts tending to create a monopoly or in undue and general restraint of trade? It is not permissible under the bill that the manufacturer shall extend his control beyond fixing the resale price of his immediate vendee, but when this vendee, say, the wholesaler, makes sale he executes the will of his vendor in order to exonerate himself from liability under his own contract to the manufacturer entered into for the benefit of the manufacturer, thus imposing upon a transaction the will of one who is no proper party thereto, and carrying his influence one step beyond the point where the act

says that it shall stop. It is not expected that price fixing by contract shall be confined to dealings between the manufacturers and the wholesalers. Mr. Crichton Clark, who has for many years been in charge of this movement, said in an article appearing in the *Hardware Age* of December 25 last:

It is also clear under existing law that the manufacturer may always refuse to sell the wholesaler with or without reason, and he may certainly refuse to sell his goods to any wholesaler who in turn does not contract under the Capper-Kelly bill with his retailers as to the resale price at which the goods are to be sold.

So the wholesaler is to be forced to deal with the retailers under a contract system, and when he makes such contracts he forges a link in the chain that extends back to the manufacturer in whose benefit all the contracts are made, which establishes a monopoly and is in undue and general restraint of trade. Any general plan to fix prices, whether by agreement, express or implied, or by a course of dealing or other circumstances by which dealers are coerced into adhering to the fixed prices, will continue to be in violation of the Federal antitrust act.

On different occasions Members in discussing this matter with me have inquired as to the rulings of the several courts of the different States, and with your indulgence I shall consume a few minutes in giving you the benefit of my investigation. The courts of a number of States have sustained the validity of a price-fixing stipulation in a contract of sale, but in almost every instance there have been cautious reservations. For instance, that it was not shown that the contract created a monopoly, or was in general restraint of trade, or had a controlling effect on the entire output of a particular commodity, or was one of a system of contracts whereby one of these results was sought to be obtained. The better reasoning seems to be found in those cases which hold such contracts valid as reasonably necessary to the protection of the good will of the manufacturer, and not injurious to the public interest, so long as the restriction does not cover all or a controlling fraction of a given commodity and the price fixed is fair to the public in that it furnishes only reasonable profit to the contracting parties; also so long as a controlling number of manufacturers or wholesale dealers in such commodity have not made identical contracts with the retailers in such locality.

However, the courts seem to be almost equally divided upon this question, a great many having held such contracts invalid upon various grounds; some because in undue restraint of trade, others because they restricted unduly inherent freedom of alienation; others because such contracts were violative of State statutes and antitrust laws; and still others because violative of the Federal antitrust laws.

On purely intrastate transactions the adoption of the act would have no bearing, and upon these State laws would obtain. However, as to all matters relating to interstate transactions State laws will be compelled to yield to the act.

The Supreme Court has gone a long way in holding what constitutes interstate commerce. Such commerce is not confined to transportation from one State to another, but comprehends all commercial intercourse between different States and all the component parts of that intercourse. Where goods in one State are transported into another for purposes of sale the commerce does not end with transportation but embraces as well the sale of the goods after they reach their destination, and while they are in their original package. Contracts to buy, sell, or exchange goods to be transported among the several States are a part of interstate trade or commerce. Of course, after the goods have come to rest, after their interstate movement has ended, they lose their interstate character.

When a merchant puts his goods upon his shelves and retails them over the counter the transaction is purely intrastate so long as it is intended that they are not to be sent out of the State or transported out of the State by the seller. So a contract made between a seller and buyer relating to goods to be transported without the State where the contract is made or from another State into the State in which the contract is made by the terms of which the

buyer obligates himself to sell at a certain price will be enforceable.

The advocates of this bill insist that it will regulate and standardize business, and will prevent price cutting, but when we come to the hearings we find the representatives of manufacturers of trade-marked goods contending that this class of producers is entitled to an advantage over all others, and the basis of this claim is that the good will and trade-marks of those manufacturers are properties that should not be subject to the ordinary hazards of trade; that a trade-mark should give the owner a preferential status before the law, and therefore relieve him from the competition of makers of other branded and unbranded goods. They profess interest in the wholesaler, retailer, and general public, but this is evidently insincere. What they want is enlargement of their patent-monopoly rights to the point to enabling them to control entirely the distribution of their goods, and as a result of this dominative influence thus acquire distribution of the goods of all others.

To gain the support of the small merchant who constitutes a part of the prey that they expect to feast upon, they say that they are against all unregulated price cutting, but when we turn to the evidence taken by the committee, though taken in 1926, we find this same representative of the so-called American Fair Trade League, the gentleman whom I have already quoted who characterizes the decision of the Supreme Court in the *Miles* case, written by the present Chief Justice, "as absurd," and who says that "only knaves and their dupes oppose" his price-fixing scheme, testifying as follows:

You will be told by our opponents that the Capper-Kelly bill will compel stores which have a low cost of doing business to charge the same rate of profit as stores which have a higher cost of doing business. You must bear in mind that low-cost stores can reflect their lower prices to the public on all the unbranded goods they sell, and on such branded goods as are unrestricted, and they will charge uniform prices only on such branded goods as are sold to them under resale price contract.

Now, gentlemen, what does this language mean? It means that by this legislation all competition between branded goods, in retail, will be eliminated. This means that competition in manufacturing costs will likewise be eliminated, and it means more than this, it means that if price cutting injures the reputation of an article, then the producer, to protect his product, will brand it, and with all products branded all manufacturers will become merged into a combination of common understanding and unity of interest, and the wholesalers and retailers forced to comply with such terms as may be dictated.

One of the purposes of this bill is to reverse the relationship that exists between the manufacturer and retailer on the one hand, and the retailer and consuming public on the other. Instead of the retailer being the agent and servant of the buyer he becomes, under this bill, the agent and servant of the manufacturer. The retailer's interest is shifted from the class that supports him to the class that he supports. He takes orders from the maker and gives them to the buyer. His continuing in business is dependent upon sustaining the good will of those from whom he buys rather than of those to whom he sells. The consuming public gets no consideration whatsoever.

Under the existing theory of business the retailer, when he buys and pays for his goods, becomes the owner of them, and owes no duty to the manufacturer, but he does owe a duty to his customers, his trade, and that is to treat them fairly and to charge them no more than what will bring him a return of a legitimate profit; but how can he do this if the control of his business be transferred to the manufacturer? How can he determine what represents fair profit if the right to price his goods be denied him?

A regular customer continues regular so long as his confidence in his merchant is sustained. When he makes discovery that the merchant has lost interest in him he becomes an occasional buyer, and business can not live on the trade of the occasional buyer.

The hearings of the committee are suggestive of many illustrations showing how the retailer will be injured by the passage of this bill. Remembering that the purpose is to

permit the manufacturer to fix resale prices, which must be adhered to except under certain named conditions, what is the dry-goods merchant to do with remnants or unsalable stocks?

He may have a hundred or a thousand bolts of dress goods upon his shelves. He rarely sells by the bolt; purchases are in lesser amounts, and as a result remnants are left on hand. He can not induce movement by lowering price. They are not damaged and therefore can not be offered for sale as such. He does not want to go out of business, so he must keep them on hand, and as a consequence bury a large part of his profits. Or he buys a lot of ladies' and men's clothing. Some are of such colors and style as not to attract the buying public. Nothing will move them but bargain prices, but these he can not give.

Proponents of the bill say they are not opposed to low prices to the public, but this argument is exploded by the inquiry, Then why complain? The main purpose of the legislation is to increase prices, and this is easily demonstrable.

The Radio Distributing Corporation, of Newark, N. J., in a telegram sent on December 2, 1930, said:

The Capper-Kelly fair trade bill will come up when Congress convenes, and we strongly recommend the passage of this bill. American industry needs this protection so that their advertised list prices will be maintained and not cut by unscrupulous retailers. American manufacturers and distributors are spending millions upon millions of dollars to advertise their products, and without the passage of this bill they are restricted from properly protecting their market against the unscrupulous retailer who endeavors to tear down everything that is built up by these responsible manufacturers and distributors. Anything you can do to help in the passage of this bill will be appreciated by us and by all legitimate manufacturers, distributors, and retailers.

Mr. Clark, who is carrying the burden of this fight, testified:

There will be no tendency whatever for all goods to be sold under such trade-mark contracts. There will always be a public demand for unbranded as well as branded goods, and if too many manufacturers begin to use branded goods, an irresistible competitive demand will be created for fairly priced unbranded goods and fortunes will be reaped by those who undertake to supply the demand.

What is the inference to be drawn from this statement? It means that trade-marked goods, though unfairly priced, will hold their own in any trade war unless and until unbranded goods are fairly priced. But the same incentive that prompts one manufacturer to trade-mark his goods will likewise prompt the other, and with all goods trade-marked and all prices fixed by the manufacturer all will be high. This statement by the witness and others made in the hearing demonstrates one more thing, and that is the ineffectiveness of the legislation in curbing the chain store, and if the chain store is not to be curbed, then what possible interest can the retailer have in the legislation? I have elsewhere suggested how unfair trade practices can be restrained, and if the manufacturer and the retailer would manifest an interest in such legislation there would be, in my opinion, possibility of accomplishing something. But this deals with trade practices alone, and does not serve the concealed purposes of the manufacturer.

The burden of proponents' contention is that price cutting injures the good will of the manufacturers of trade-marked goods. It has never occurred to them to mention the good will of other manufacturers, except to suggest that the price cutters operate upon them.

It is intended that the manufacturers shall be given the power to make the price structure rigid and unyielding

to basic commodity fluctuation—that the fall of rubber from a price of \$1.25 to 8 cents per pound will not be reflected in the price of the manufactured product. While the general commodity prices have fallen from 15 to 40 per cent, there has been no lowering of price of branded merchandise in the past 12 months, except in comparatively few instances. A list that I have before me shows that prices of these goods have increased more often than they have fallen.

Costs of merchandise under existing conditions are not entirely rigid and inflexible. There is variance in price, due to free goods, rebates on quantities, advertising allowances, and freight allowances, but all dealers do not get these. These practices will likely be continued, even if the bill should pass, being necessary in order to hold the business of the chain store. Some companies will set up subsidiaries and put out their products under a different name or no name at all in order to give price preferences to chain stores. Such subsidiaries are now maintained by reputable concerns.

Mr. KELLY. Will the gentleman yield?

Mr. COX. Yes.

Mr. KELLY. I do not want to interfere with the gentleman's course of argument, which is very interesting, but in regard to the point of reflecting a lower cost there is no need for us to theorize in respect to the effect of resale-price maintenance, because the automobile business is built on the maintenance of the resale price. What effect does lowered cost of production have on automobile prices? Is it not always reflected in lower prices?

Mr. COX. I did not yield to the gentleman to make a statement. If he will defer until I have finished my general statement I will be glad to answer any questions he may desire to ask. I expected him to ask that particular question and I think I am prepared to answer it.

There is no elimination of distribution costs in the bill, but just the reverse. In all merchandising there are three constant elements of cost involved—manufacturing, wholesaling, and retailing costs. The consumer must pay for all three services no matter who performs them. If the wholesaler is eliminated by direct dealings between the manufacturer and retailer, they will be done through the wholesaling department of the manufacturer and at added costs to the consumer, due to increased transportation costs and greater losses on bad accounts.

The real force back of all this price-fixing agitation is the consolidated will of the manufacturers of trade-marked goods and patent owners, led by the patent medicine makers. They are not satisfied with their partial control of trade but insist that it be made complete, in order that they may be protected against injury to their good will resulting from low prices brought about by competition.

Keeping in mind that good will is property, but property created at public expense, incorporated as a part of capital investment and on which the public is made to pay a dividend, further increasing value with further increased capitalization and at added costs to the public, let us see if the good will of the manufacturer is suffering, and if they need legislation against the operation of ordinary business laws. I hold in my hand a list of 57 leading national advertisers. The table contains their expenditures for newspaper and magazine advertisements for 1929; the good will on the balance sheet with the year on which the item appears, and their earnings for 1927, 1928, and 1929. This statement is as follows:

Expenditures of 57 leading advertisers for advertisements in newspapers and magazines

No.	Companies	Newspaper and magazine advertising ¹	Good will on balance sheet		Earnings		
			Year	Amount	1927	1928	1929
1	B. F. Goodrich Co.	\$1,162,220	1928	\$57,798,001	\$11,780,307	\$3,513,023	\$7,446,310
2	American Tobacco Co.	8,035,963	1929	54,099,430	23,257,803	25,014,434	30,178,604
3	Liggett & Myers Tobacco Co.	5,070,465	1928	40,709,711	18,743,395	19,408,644	22,017,128
4	Coca-Cola Co.	590,750	1929	21,931,320	9,163,156	10,189,121	12,753,276

¹ Newspaper advertising estimates compiled by the bureau of advertising of the American Newspaper Publishers Association and magazine advertising compiled by Crowell Publishing Co. from a study of 30 magazines.

Expenditures of 57 leading advertisers for advertisements in newspapers and magazines—Continued

No.	Companies	Newspaper and magazine advertising	Good will on balance sheet		Earnings		
			Year	Amount	1927	1928	1929
5	P. Lorillard Co.	\$3,787,345	1929	\$21,268,339	\$2,490,787	\$1,817,428	\$1,336,656
6	General Cigar Co.	1,533,000	1925	15,000,000	3,366,136	3,140,459	4,295,961
7	Cluett, Peabody & Co.	231,800	1929	6,000,000	2,281,978	1,359,014	663,540
8	Corn Products Refining Co.	732,989	1923	16,000,000	11,905,289	13,192,974	16,309,652
9	Ward Baking Co.		1929	11,522,359	4,231,896	3,293,543	3,124,414
10	Goodyear Tire & Rubber Co.	2,564,500	1927	10,314,275	13,135,666	13,327,844	18,614,375
11	Stewart-Warner Co.	144,500	1924	8,291,569	5,210,053	7,752,532	6,838,938
12	American Chicle Co.	180,845	1929	1,500,000	1,524,002	1,795,288	2,107,597
13	V. Vivaudou (Inc.)	201,250	1929	7,952,310	1,012,191	355,704	1,110,583
14	Wm. Wrigley, Jr., Co.	652,637	1929	6,081,061	9,767,347	11,068,618	11,608,708
15	Borden Co.	674,565	1929	7,000,000	7,154,445	11,354,331	20,403,725
16	Julius Kayser & Co.	336,050	1929	5,644,000	1,729,199	2,109,661	2,810,268
17	Manhattan Shirt Co.		1929	5,000,000	1,357,420	1,008,643	971,048
18	Hartman Corporation		1929	4,992,992	1,012,634	935,931	1,103,432
19	National Biscuit Co.	331,000			16,277,158	17,883,365	21,423,571
20	Simmons Co.	1,374,372	1929	1,721,420	4,253,164	4,275,371	4,695,572
21	Hershey Chocolate Corporation		1926	6,314,128	4,160,770	6,450,388	7,435,780
22	Torrington Co.		1928	500,000	1,862,011	2,194,407	3,207,386
23	R. J. Reynolds Tobacco Co.	1,272,550	1929	1,316,691	29,080,665	30,172,563	32,210,521
24	Pyrene Manufacturing Co.		1929	1,002,450	191,539	218,527	382,869
25	Radio-Victor Corporation	1,448,984	1929	444,867	8,478,320	19,834,799	15,892,562
26	General Foods Corporation	3,607,925			11,368,219	14,555,683	19,422,314
27	Procter & Gamble Co.	4,153,406	1928	2,883,055	17,717,331	15,579,335	19,148,934
28	Colgate-Palmolive-Peet Co.	5,432,384			8,279,485	6,212,156	8,910,631
29	Congoleum-Nairn (Inc.)	1,098,300	1929	1,000,864	1,057,420	1,462,046	2,213,831
30	Campbell Soup Co.	1,933,150					
31	Calumet Baking Powder Co.	101,350					
32	Pepsodent Co.	1,526,848					
33	Lever Bros. Co.	604,060	1927	1,000,000	2,365,509		
34	H. J. Heinz Co.	1,612,200					
35	Lambert Pharmacal Co.	2,082,748			4,630,191	6,079,376	5,455,723
36	Vacuum Oil Co.	1,080,500			25,599,899	37,659,453	36,767,628
37	Armstrong Cork Co.	1,240,300	1929	624,772	3,752,552	3,931,964	4,980,536
38	Eastman Kodak Co.	737,800			20,142,161	20,110,440	22,004,916
39	Hart, Schaffner & Marx	899,500	1929	10,000,000	2,244,573	2,583,799	2,514,676
40	Swift & Co.	1,480,400			12,202,493	14,813,182	13,076,815
41	American Radiator & Standard Sanitary Corporation	576,700			12,057,315	12,413,742	20,012,171
42	Cliquot Club Co.	845,800					
43	Ford Motor Co.	14,761,710	1924	20,517,985	42,786,727	72,221,498	81,797,861
44	General Motors Corporation	30,671,215	1929	50,680,425	239,264,724	273,559,091	247,317,743
45	Chrysler Corporation	1,039,846	1929	25,000,000	19,484,880	30,991,795	21,902,168
46	Dodge Bros.	350,480	1927	7,926,326	9,641,427	(9)	(9)
47	Standard Oil Co. of Indiana				30,132,456	77,337,166	78,499,754
48	Willis-Overland Co.	3,411,780			6,341,520	6,382,358	4,979,857
49	United States Rubber Co.	939,229	1929	58,925,372	6,233,792	10,781,225	576,009
50	Hupp Motor Car Corporation	2,774,500	1924	3,858,921	2,719,164	8,790,221	3,468,936
51	Sun Maid Raisin Growers' Association	201,700			7,099,104	5,158,387	
52	Graham-Paige Motors Corporation	1,946,050			1,980,942	1,055,679	1,463,588
53	Quaker Oats Co.	884,735	1929	10,152,881	7,253,745	7,586,360	8,052,836
54	Andrew Jergens Co.	1,204,600					
55	Pond's Extract Co.	1,193,725	1929	359,570			
56	Cudahy Packing Corporation	1,221,530			2,353,959	2,567,327	2,512,851
57	General Electric Co.	3,884,921			48,799,488	54,153,806	67,289,880

¹ Magazine advertising only.² Goodwill of predecessor company, Hershey Chocolate Co.³ Newspaper advertising for 1928 was \$1,700,000.⁴ Calumet Baking Powder Co. is a subsidiary of General Foods Corporation.⁵ These figures are for American Radiator Co. only. In 1929, the company merged with the Standard Sanitary Corporation and acquired its present title.⁶ Represents 8 subsidiaries only.⁷ Deficit.⁸ Chrysler Corporation acquired business and assets of Dodge Bros. in 1928.

The list shows the good will of a single company running as high as \$59,000,000, and the annual advertising costs of another mounting up to approximately \$31,000,000.

Corn Products Refining Co., with good will capitalized at \$16,000,000, increased its net income from \$6,326,358 in 1921 to \$16,309,652 in 1929.

Borden Co., makers of Eagle Brand condensed milk, with good-will value at \$7,000,000, increased its net earning from \$7,154,445 in 1927 to \$20,403,725 in 1929.

When a mother buys a can of Eagle Brand condensed milk for her infant child she pays a price that represents not only scandalous profit on physical values but a like profit on the reputation of the maker—named good will—valued at \$7,000,000.

Take Liggett & Myers Tobacco Co., makers of Chesterfield cigarettes, spending above \$5,000,000 annually for advertising, with good will valued at \$40,709,711, increasing net earnings from \$9,163,156 in 1927 to \$12,758,276 in 1929.

The American Tobacco Co., makers of Lucky Strike cigarettes, with annual advertising cost at \$8,035,963 and good will capitalized at \$54,099,430, increasing its net earnings from \$23,257,803 in 1927 to \$30,178,604 in 1929; and R. J. Reynolds Co., makers of Camel cigarettes, with an annual advertising cost of \$1,276,550 and good will valued at \$1,316,691, increasing its net income from \$20,080,665 in 1927 to \$32,210,521 in 1929, all increasing the price of their

products here at a time when the raw tobacco grown by the farmer is taken at a price that represents less than one-half of cost of production.

Look at the record of the American Radiator, now Standard Sanitary Co., a part of one of the most complete trusts in the country, at a time when raw materials are low, raising the price of their products, and this, too, after running their net profits from \$12,057,315 in 1927 to \$20,012,171 in 1929. The different units of the old Bathtub Trust are solidly behind this bill and have been writing Members of Congress to support it. Look to the record of any of this special-privilege class and say if there is excuse for perpetrating this awful conspiracy against the people. To illustrate what the patent-medicine makers are doing, let me quote you from the record of the hearings:

On March 18, 1926, the stock of the Lambert Co., which was to take over the ownership of 56¼ per cent of Listerine was offered the general public. The company was capitalized as follows:

	Shares authorized	Shares to be issued
Common stock (without par value)	1,000,000	281,250
Deferred stock (without par value)	100,000	100,000

¹ 100,000 shares are to be reserved for conversion of the deferred stock.

This stock was offered at \$41.75 per share. On this basis the 231,250 shares of common stock to be issued had a value of \$11,742,187.50.

Now, what did this \$11,742,187.50 represent?

According to Gerard B. Lambert, president of the Lambert Pharmacal Co., the net tangible assets of the company were approximately \$1,000,000. As the newly formed Lambert Co. owned only 56¼ per cent of the net tangible assets, the \$11,742,187.50 represented \$582,500 of net tangible assets and \$11,179,687.50 of "good will." This, however, was stock which represented only 56¼ per cent of the "good will." The value of the entire "good will" on the same basis was therefore \$19,875,000. Consumers of the company's products, therefore, pay not only dividends on tangible assets of \$1,000,000, but on "good will" of \$19,875,000; and, of course, all the costs of production, advertising, and distribution.

The advertising history of the Lambert Pharmacal Co. is exceptionally interesting. The company was founded 47 years ago. Until 1921 Listerine was marketed with practically no expenditure for advertising. Then high-pressure methods of marketing were adopted. The growth of the advertising expenditures is indicated by the fact that in 1925 advertising expenses were \$3,000,000. What followed is told in the following table:

Net profits of Lambert Pharmacal Co. after Federal income taxes at 13½ per cent.

Year ended December 31:

1922	\$724,542.53
1923	1,078,437.31
1924	1,499,210.77
1925	2,011,940.89

This makes ownership of the name Listerine better than ownership of a gold mine. That the exploiters of the name appreciate the fact is demonstrated by their policy of launching new products from time to time, such as Listerine tooth paste and Listerine throat tablets. The name is plainly going to yield its uttermost fathering of "good will."

In view of these facts it is absurd for manufacturers who market their product in this way to plead that there is any necessity for the Kelly bill in order to protect their good will or to protect them from so-called price cutting on the ground that it destroys the market for the products they manufacture.

Let me illustrate what the patent-owner sharks are doing to the public by way of getting dividends on their good will. Squibbs sodium bicarbonate, sold to retailer at 21 cents, carries a charge of 14 cents for good will. Pond's Extract (witch hazel) sold to the retailer at \$1.29, carries a charge of 76 cents for good will. Colgate vaseline, sold to retailer at 57 cents, carries a charge of 30 cents for good will. Nujol (mineral oil) sold to retailer at 57 cents, carries a charge of 25 cents for good will. Bayer's Aspirin, sold to retailer 100 at 76 cents, carries a charge of 49 cents for good will. Agaol (mineral oil and aga) sold to retailer at 83 cents, carries the amount of 53 cents for good will. Car-bona, sold to retailer at 18 cents, carries the amount of 14 cents for good will. Old Dutch Cleanser, sold to retailer at 64 cents, carries the amount of 25 cents for good will. Venida hair nets, sold to retailer at 83 cents, carries 5 cents for good will. Prophylactic toothbrush, sold to dealer (three rows) at 30 cents, carries a charge of 17 cents for good will, and (four rows) sold to dealer at 36 cents, carries a charge of 20.5 cents for good will. B. V. D's, sold to retailer at \$1.05, carries a charge of 34 cents for good will. Royal Baking Powder, sold to retailer at 37 cents, carries a charge of 20 cents for good will. Scott's Emulsion, sold to retailer at 71 cents, carries a charge of 25 cents for good will.

And this list might be run into the thousands. Do you think the protection of the good will of these medicine makers and others sufficient justification for this conspiracy against the American people?

Reduce high costs of distribution! Who, in the face of this record, will dare presume to impose upon your credulity such an assertion?

Is there no satisfying the hunger of greed? This octopus, the patent owners, think they have you bound with commitments made without knowledge of the effect of a vote for this monstrosity, but I can not believe such to be possible.

Let me give you one more illustration of what the patent owners are doing and able to do under existing law. The Gillett razor, while original patent was in force, retailed at \$5, but when the monopoly expired the price of the razor fell to 27 cents.

With this act adopted it will be no longer necessary that manufacturers conspire to control markets, for the act sets

up the conspiracy and turns them loose as licensed pirates upon the public.

When same resale price to dealers in same community is fixed, as the act says shall be done, what becomes of competition as between dealers; and when the dealer fixes the resale price of all retailers in same community, as the act says shall be done, what becomes of competition between retailers and where is the bargaining power of the consumer? The retailer whose capital is small and whose place of business is unattractive, who keeps no clerk, can no longer draw trade by lower prices. The right to give the consumer the benefit of his low cost of operation he will no longer have. He simply passes out of the picture with all his trade going to the place of style and great show.

Let no Member deceive himself about this bill. It simply disarms the public of its shield of the law, raises the breast-works of privilege, and renders hopeless the cause of the millions who depend upon Congress to give them justice and fair play. The tragic part of this whole controversy is the deception that has been practiced upon the small retail merchant. He has been told that the measure is sound, that it is competitive rather than monopolistic, that it increases competition between manufacturers, is not against the public interest, that it will help him, and he believes these things. He has been told that it will relieve him from the killing competition of chain stores and make him the master of his own business, and he believes these things. He has been told that the manufacturer can fix the resale price of all dealers and retailers, with lower costs to the consumer, that business of all retailers will be standardized with profits guaranteed, and he believes these things. So why try take the truth to him and have to defend it? Why not leave him the victim of his own false opinion? The public knows nothing of the matter. Why not just leave it alone as the patient and docile beast to take this new blow?

While it is ordinarily true that one who procures a thing to be done will not be heard to complain at law, but if this bill passes and the retailer finds that he has been entrapped, he will turn to you and demand to know why you permitted such a thing to be done, and it will be no sufficient answer for you to say that you complied with his request, for he will tell you that the question was complicated, that right decision required study, that material for such study was available to you, that you were Congressman not he, that the responsibility was yours and not his, and with this he will spew you out. But what will the victimized public do when it awakens to its betrayal? Your own good sense gives you answer.

Let me say to you farmer-minded Members who stress equality of treatment as between all classes, and to you Members who insist upon squaring all legislation with the public good, indeed, to all Members who seek right solution of every public question, which embraces the entire membership of the House: With understanding of this measure there is presented the test of your faith; for your vote will put you either on the side of the people or against them. To stumble into a conclusion will excuse no one. The question is too vital for surface consideration. It demands bringing into play your patriotic ideals and your lofty statesmanship.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GRIFFIN. I yield to the gentleman 10 minutes more.

Mr. STAFFORD. Will the gentleman yield?

Mr. COX. I will be glad to.

Mr. STAFFORD. The gentleman cited a most interesting tabulation of figures showing the retail prices of various articles as compared with the good will of different manufacturers, varying in different instances. I wish to inquire what was included in the basis of the computation as to good will?

Mr. COX. That includes income upon the valuation of good will and also all advertising costs. The gentleman understands that good will is the reputation of a business

concern built upon advertising the cost of which is borne by the consuming public.

Mr. STAFFORD. In this instance how does the gentleman arrive at the proportion of good will as compared with the retail price?

Mr. COX. The basis of the tabulation is found in the hearings before the Interstate and Foreign Commerce Committee in 1926, and the value of the article itself was arrived at by figuring the cost of a competitive article, which competitive condition was verified by the United States Testing Co. in the city of New York. The basis for that statement appears in evidence in the hearings, beginning on page 290 and continuing until that particular subject is concluded.

Mr. STAFFORD. As I remember the statement of the gentleman, he gave the retail price and the good will.

Mr. COX. I did not give the retail price in that statement. I simply gave the price of the wholesaler or the manufacturer to the retailer, and not the price to the consumer.

Mr. STAFFORD. In that list did the gentleman have any basis for estimating the value of the goods?

Mr. COX. Absolutely; and the basis for every assertion I made are facts that are embodied in the record of the hearings.

Mr. STAFFORD. That is the testimony of one individual, or the testimony of various manufacturers?

Mr. COX. That is the testimony of one individual.

Mr. STAFFORD. Who is that?

Mr. COX. Percy Straus, of the Macy Co., of the city of New York, but every assertion made by Mr. Straus was verified by the findings of the Testing Co., which is likewise embodied in the record of the hearings, the accuracy of which no one has as yet questioned.

Mr. KELLY. The gentleman states that the whole tabulation as to the value of good will added on the price comes from one individual, and it might be well to state that Percy Straus represented the Macy chain of stores, which is known as one of the most notorious price cutters in the United States.

Mr. COX. Very well, but no witness that appeared was more impressive than Mr. Straus, and none half so well prepared to sustain the truth of every assertion made. I will quote from one of the gentleman's own witnesses, not a witness that appeared before the committee, and yet the record of his transactions does appear in this case. I refer to the Lambert Co. In other words, there was no witness who appeared before the Committee on Interstate and Foreign Commerce that even attempted to contradict or refute the testimony given by Mr. Percy Straus with reference to these same matters. I call attention to the record from which I have just quoted, and that is with reference to the Lambert Co. Here was a company with physical properties valued at a million dollars. Mind you, it is one of these large business enterprises that are here clamoring for price-fixing legislation. The evidence showed—and it is by the confession of the president of the company—that their physical values were \$1,000,000, and yet the good will was put at a value of approximately \$20,000,000, and when the consuming public buys an article at a cost of 20 cents, 1 cent represents the cost of production, plus the profit of the article itself, and 19 cents represents the contribution that the public is making in order to create a dividend on a fictitious thing, and that is the value of good will fixed at \$19,000,000.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. EDWARDS. We have listened with great interest to the gentleman's splendid address, which has been most enlightening. Will the gentleman state if he knows what the attitude of organized labor and farm organizations is with respect to this proposed legislation?

Mr. COX. I understand that the American Federation of Labor has taken no official action upon this bill or upon any of the kindred measures that have been pending before previous Congresses. However, you will find in the record

of the hearings of 1926 a letter from Mr. Green, addressed to Mr. Harold Young, which expresses opposition to the bill; but I happen to know that Mr. Green is not in a position at this time to be quoted on this subject. With respect to the Grange, you will find in the hearings more than one statement coming from individuals authorized to express the attitude of the Grange on the subject in opposition to the bill. I happen to have a letter from the American Farm Bureau Federation, written by Chester H. Gray, the Washington representative, on December 19, 1930, in which he says:

In reply to your inquiry of December 16 relative to H. R. 11, the Capper-Kelly bill, let me say that the American Farm Bureau Federation is now, and has been for several years, opposed to such legislation.

Of course, reflecting, as I understand it, the welfare of the people who make up this great farmers' organization, the organization could do nothing other than to express its opposition to the bill, which is in itself a thrust at the very heart of the masses. The letter continues:

In the American Farm Bureau Federation annual meeting of December, 1927, the organization announced its position opposing legislation which would ask retail price fixing. That resolution meant the then pending Capper-Kelly bill—it being interpreted by the farmers in the Farm Bureau as permitting manufacturers really to fix the price over the retail counters at which their commodities should be sold.

Then in 1928 we reannounced our position in opposition to retail price fixing. In December, 1930, the first resolution adopted reads: "The policies of the American Farm Bureau Federation heretofore expressed in annual meetings are reaffirmed, and unless repealed herein, or inconsistent herewith, are declared to be in full force and effect."

Since there is nothing in the American Farm Bureau Federation resolutions of 1930, which repeals the two resolutions above spoken of, or modifies them, then, of course, the former position of the organization continues to be as it was in 1927 and 1928.

Thanking you for this opportunity of again expressing our opinion in the matter, and with highest personal regard, I am

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. LA GUARDIA. Without expressing my views as to the merits of the bill, it has seemed to me that the members of the Farm Bureau are the last people in the world to complain about price fixing.

Mr. COX. The gentleman understands, of course, that when the farmer takes his produce to market he does not put the price upon it.

The other fellow makes the price. If he wants a plow stock or if he wants a hoe, or if he wants any ordinary farm implement, or anything else, the price is named for him. He does not make it. Conditions are such that that can not be changed, and he will always be in that position so far as trade and commerce is concerned.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Cox] has again expired.

Mr. OLIVER of Alabama. I yield to the gentleman from Georgia five additional minutes, Mr. Chairman.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. COX. I yield.

Mr. CLARK of Maryland. I have read the gentleman's speeches on this subject, and they are all very interesting.

Mr. COX. I thank the gentleman.

Mr. CLARK of Maryland. I understand one of the substantial objections to this bill is that it destroys the bargaining power of the consumer.

Mr. COX. Of course, I presume that is conceded by everyone.

Mr. CLARK of Maryland. I am not entirely clear on that and I want information. How would the bargaining power of the consumer be destroyed with respect to any particular commodity if the consumer could turn to a competitive product that is offered to him?

Mr. COX. I understand the point which the gentleman is making. For instance, take the maker of Wesson cooking

oil, under existing conditions the consumer wanting a can of Wesson cooking oil can go into a store in a back street where the proprietor does all of his work, where the rents are low, where the operating costs are at the minimum, and he can get it at a price that is lower than he can get it if he went to the fashionable store on one of the main streets. That is the condition as it exists now. If this bill is passed, the price that that little merchant in the back street makes to the consumer will be the same price that is offered by the fashionable store on the main street. In other words, the price is uniform.

Mr. CLARK of Maryland. But this bill only applies with respect to competitive commodities?

Mr. COX. That is right.

Mr. CLARK of Maryland. But in what way would the bargaining power of the consumer be destroyed if the consumer could always turn to a competitive product on the shelf. Does not the producer of price-maintained competitive product take all the chances in such a case?

Mr. COX. Suppose we take the manufacture of Wesson cooking oil. By the way, the meat packers are likely to be tremendously interested in this legislation and that is emphasized by the recent decision of Mr. Justice Bailey, of the Supreme Court of the District of Columbia, in which the packers' consent decree was modified.

Mr. ABERNETHY. Well, we will probably pass it if they are in favor of it.

Mr. COX. They will probably be for it. The manufacturer of Wesson cooking oil, if this bill is passed, will fix the price the same at the place where the product is processed and put out as it is at the most distant point in the country. No allowance whatever is made for freight or anything like that. In other words, the manufacturer wants the bill because he can establish a universal price for his commodity. That is conceded.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. COX. I yield.

Mr. HUDDLESTON. Wesson cooking oil is produced under a special patented process and there is no competition in the sale of that oil.

Mr. CLARK of Maryland. Then this law would not apply.

Mr. HUDDLESTON. You either buy Wesson cooking oil or you do not get anything at all, for it has no competition in its particular field. All these people who have products affected by this bill have succeeded through expensive advertising campaigns in making the public demand their particular product so as to take it out of competition and secure a monopoly. Wesson cooking oil, Manhattan shirts, Stetson hats, and the other producers of all of these trademarked commodities have succeeded in making the public think there is no competition with their particular products; they have thereby secured a monopoly and therefore there remains no bargaining power in the hands of the consumer. He wants a Stetson hat. How can he buy a Stetson hat except by buying a Stetson hat? How can he buy a Manhattan shirt without buying a Manhattan shirt? How can he buy Wesson cooking oil without buying Wesson cooking oil?

Mr. CLARK of Maryland. Then, if a man is determined to buy a Warner hat in competition with other hats just as good, how is he hurt by voluntarily paying the maintained price?

Mr. HUDDLESTON. He does not know that the other hat is as good a hat.

Mr. CLARK of Maryland. If there are competitive hats and he is determined to have a Warner hat, he should pay the price.

Mr. COX. The gentleman is willing to concede the force of the statement of the gentleman from Alabama [Mr. HUDDLESTON], which was given in reply to the question propounded by the gentleman from Maryland?

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

The gentleman from Georgia [Mr. Cox] has consumed one hour.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that I be permitted to yield to the gentleman from Georgia one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COX. The gentleman will concede that a patent gives its owner a monopoly of production of that particular patented article. With that in the gentleman's mind, there is no competition in production. Being able to fix universally the resale price there will be no competition in the retailing to the public. Therefore the competition that is referred to is that which comes from the manufacturer of some other similar or kindred product. [Applause.]

Mr. ACKERMAN. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and members of the committee, I am sincerely grateful to my colleague from Georgia [Mr. Cox] for the presentation of this subject of the Capper-Kelly fair trade bill.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. OLIVER of Alabama. Mr. Chairman, immediately following the gentleman from Pennsylvania [Mr. KELLY] I will yield 30 minutes to the gentleman from Georgia [Mr. CRISP], who desires to discuss a certain proposed rule which I feel every Member will be interested in, and I wanted to make that announcement so that the committee would understand to whom I would next yield. [Applause.]

Mr. KELLY. Mr. Chairman, the gentleman from Georgia [Mr. Cox] on three different occasions recently has addressed the House on this subject of resale-price agreements, which is of vital importance. I am grateful to him, because this is a problem that deserves the attention of every Member of this House, and it is fundamental. I agree that it concerns our business situation and our social and our economic system. I have tried for a good many years to have this question understood here and elsewhere, because I believe it to involve the future of the business life of the Nation. Therefore I believe that we should discuss and decide this question.

The gentleman from Georgia [Mr. Cox] is, without doubt, mistaken in his fundamental premise regarding the bill. He attempts to deal with this problem as if we were conferring some new and strange monopoly power. I think my record in this House will show that my efforts have been consistently opposed to private monopoly. This is an anti-monopoly measure; for if we allow present conditions to continue, we are encouraging monopoly, encouraging centralization of merchandising, and the control of marketing in a very few hands.

It is an easy matter to continually refer to price fixing in an effort to discredit the purpose of this measure. This bill fixes no prices; it compels no manufacturer to fix a price; it gives the Government no power to fix prices; it forbids price fixing through combination.

What it does is to take the power of price fixing on identified goods, whose makers really desire to protect their good name and good will, out of the hands of those dealers who have no interest in those goods except to use them for their own ulterior purposes. It will permit the control of such prices by vendors and vendees who honestly desire to sell those goods in efficient service of the public.

The price fixed by these predatory price cutters has no relation to the value of the goods. They are used as bait in a bargain trap.

On November 5, 1914, the Commissioner of Internal Revenue issued Treasury decision 2052, which reads as follows:

The law requires the manufacturer to stamp on his product the actual retail value. You state you can not control this price. Nevertheless, it is believed that no one is so competent as the manufacturer to determine the retail price or value of his products, and he will be held strictly responsible for due compliance with the statute.

This bill is founded on the belief so well expressed in this decision. It puts price control on identified goods in the only hands which should have it—those who are really inter-

ested in the products and the prices which will secure public patronage.

Let us get in our minds what this measure is. This bill ought to be taken as it stands and its meaning understood. Let me read the first section, which is the very kernel of this measure which has been under discussion for so many years:

That no contract relating to the sale of a commodity which bears (or the label or container of which bears) the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed to be unlawful, as against the public policy of the United States, or in restraint of interstate or foreign commerce, or in violation of any statute of the United States by reason of any agreement contained in such contract.

That the vendee will not resell such commodity except at the price stipulated by the vendor.

The gentleman from Georgia started out in his first speech with the statement that this measure was futile and would not accomplish the purpose of effective control of the resale price of an identified product where wholesalers were involved.

He has changed that opinion and now states that it will accomplish its purpose, but that the wholesaler will be dominated by the manufacturer. The fact is that the legitimate wholesaler, threatened with extinction by great merchandising corporations which eliminate him but not the expense of his function, is eager to have the opportunity to cooperate with the independent manufacturer and independent retailer for straightforward business and the protection of the public against deceptive methods.

However, there is now agreement between us that the bill is not a futile measure, but will accomplish the end which I contend will be beneficial and which he contends will be harmful.

Let us go a step farther to clarify the situation. To what kind of commodities does this bill extend? It covers only trade-marked merchandise and does not apply at all to bulk, unnamed, and unidentified goods.

Mr. BURTNESS. The gentleman does not mean to say that this applies only to trade-marked articles, does he?

Mr. KELLY. I mean to say that it applies to identified goods—trade-marked and trade-named articles.

Mr. BURTNESS. That is a different proposition. The gentleman now says it applies to identified trade-named articles. That is an entirely different proposition.

Mr. KELLY. No; it is not at all. Identification is the requirement. The whole purpose of a trade-mark is to identify an article, and that is what we are trying to cover, solely—identified products.

Mr. BURTNESS. There should be no misunderstanding about the matter. It must be admitted that it applies to any article which bears some identification mark on it that shows who the producer is.

Mr. KELLY. Of course, do not let us quibble about that. The whole purpose of the trade-mark is to identify the product.

The Supreme Court has itself recognized that the trade-mark is not a monopoly. That question was involved in the case of *United Drug v. Theodore Rectanus Co.* (248 U. S. 90). The court said:

The law of trade-marks is but a part of the broader law of unfair competition; the right to a particular mark grows out of its use, not of its mere adoption. Its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business. . . . In truth a trade-mark confers no monopoly whatever in a proper sense, but is merely a convenient means of facilitating the protection of one's good will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.

In the bulletin issued by the Bureau of Patents for the information of those seeking to register trade-marks the facts are clearly stated. I quote:

A trade-mark is a distinctive word, emblem, symbol, or device, or combination of these, used on goods actually sold in commerce, to indicate or identify the manufacturer or seller of the goods. The mark must have been used in interstate or foreign commerce,

or in commerce with the Indian tribes, before an application for registration can be filed. . . . Ownership of a trade-mark arises from its use, so it must be used before it can be registered.

A registrable mark is one used with merchandise. The law makes no provision for the registration of marks used only in connection with service, such as insurance, bonding, banks, collection agencies, etc. The mere names of varieties of fowls, animals, fishes, vegetables, etc., can not be registered as trade-marks, e. g., anyone raising Jersey cattle or Fultz wheat has the right to sell the natural increase under the same name.

A firm can not secure a trade-mark for merely descriptive words. For instance, the Gulf Refining Co. popularized the name "No-Nox" for gasoline and spent a great deal of money in making it known. A trade-mark was refused recently on the ground that it was merely descriptive.

The merchandise which may be covered by trade-mark is given by the bureau under 50 different classifications. There are hundreds of different trade-marks now being used in each of these classes and the very possession of the trade-mark proves that there is abundant competition.

It must be clearly understood that no single trade-marked product is ever a necessity of life. No one can have a trade-mark covering bread and soap and shoes. There may be "Blank's bread" and "Jones's soap" and "Brown's shoes," but the very possession of the trade-mark is proof of competition.

As a matter of fact, there are hundreds of separate trade-marks covering these and all other classes of products. If they are given the right to which they are in all justice entitled, that of selling those distinctive products on their merits as to uniform quality and at a competitive, uniform price, they will compete fairly and energetically for the patronage of the public. Then if "Blank's bread" or "Jones's soap" or "Brown's shoes" fail to measure up in quality or in price to the desire of the consumer, their makers will go out of business, and some other maker will secure the business.

The plan I am here advocating is the only one under which the consumer can be perfectly sure of obtaining the article he wants—the price-cutting system means that every attempt will be made to force upon him the article which somebody else thinks he ought to buy.

Now, Mr. Chairman, it appears to be the theory of the gentleman from Georgia, that if this measure should be a benefit to independent manufacturers, it would inevitably react to the injury of consumers.

That theory is as utterly baseless as Ricardo's Iron Law of Wages, which declared that wages of labor could never rise much above the level of subsistence. If wages should rise above that level, the laborers would have more children, thus furnishing an oversupply of labor and wages must naturally fall.

American industry explodes that fallacy just as it has exploded the fallacy that if the maker and distributor of goods profit the consumers must suffer.

There is no conflict of interest between these two parties. Their interests are identical. Read the Hoover report on Recent Economic Changes in the United States, which is an unanswerable proof of that statement. That report declares that "leaders of industrial thought propound the principle of high wages and low costs as a policy of enlightened industrial practice."

Mr. Chairman, the cost of producing goods can only be reduced by producing in large quantities, thereby reducing the overhead until the charge against each unit is comparatively negligible.

If Henry Ford only produced 1,000 automobiles a year, he would have to sell them for \$25,000 each or go out of business. By producing a million a year he can sell them at \$600 each. Mass production makes possible the possession of a car for practically every family.

The fact is that the manufacturer to-day and also those who distribute his products can not profit at all unless the consumer also profits. It is the consumer who buys the product, but he will only buy when he wants the goods and when the price is low enough to suit his purse.

In 1895 only four automobiles were made in the United States. Only a few dozen workers were employed in the

entire industry. It was a number of years before any appreciable number was produced because the price was so high that the automobile was only a rich man's toy. When mass production brought the prices down where people could buy them, the sales of cars reached enormous totals.

Mr. Chairman, there is no conflict but community of interests. By assuring fair and honest competition on a standard-price basis we will bring about the same benefits which have come from standard production. Business is not an end, it is a means to an end, and that end is the promotion of the general welfare and prosperity. It will do that best on a square-deal basis, which this bill aims to assure.

Now, Mr. Chairman, let us consider this argument of the gentleman from Georgia that lower cost of production would not be reflected in lower prices for standard goods protected under resale agreements.

We have had abundant proof that in time of rising prices the manufacturers of nationally known standard goods will fight to the utmost against any increase in their price.

During the World War we witnessed an orgy of profiteering and prices were skyrocketed in a way never before known, but not on prices of standard trade-marked goods. The commission which studied prices during the war repeated again and again that while bulk, unnamed products were sold at prices which meant shameless, extortionate profits, the widely advertised standard goods were sold at stabilized prices.

There was a reason for this, and it applies in time of falling prices just as well. That is, that in the merchandising of identified standard goods any uniform increase in the standard price means a lessened demand and an injury to the good will of the manufacturer, while a uniform decrease increases the demand and adds to the value of good will.

Fair competition operates with the same force in a period of falling prices as in a period of rising prices. The independent manufacturer can not name a price which is too high, for if he does he can not sell his goods. All that is needed to destroy his business is to have the buying public think, rightly or wrongly, that his prices are excessive. As a matter of fact, the manufacturer of an identified product meets declining commodity prices by increasing weight and quality and by decreasing price. Any retailer with practical experience will tell you that there is more danger of the manufacturer insisting upon a retail price which is too low to cover a fair profit rather than that he will take the opposite position.

A manufacturer invests his money, his time, and his efforts to produce a certain commodity and spends large sums to secure consumer support. He can not obtain consumer support if the value and price are out of line with similar merchandise. Therefore the tendency is always to make the retail price low enough to result in increased production. While at present the juggled prices of price cutters have confused the situation as to the real standard price, many reductions have actually been made. One firm manufacturing a standard tooth paste had a so-called standard price of 50 cents. It was sold on a basis so that the independent could meet chain-store competition to a point of 39 cents. Within the last year that firm has made its price 36 cents and is endeavoring to have its product sold only by independent dealers at that price.

Why theorize about what will happen? We know what has happened in the automobile business, operated exclusively on the price-maintenance basis. Every reduction in production costs, every advantage of falling commodity costs, has been reflected in the retail price of the product. And at the same time the price has been uniform with the same chance to every purchaser who knew that he was getting better quality at a lower price.

Lower uniform price in order to stimulate consumption is the aim of every maker of identified goods. That aim is followed whether prices in general are rising or falling, and it is a benefit to the consumer in either case.

Now, Mr. Chairman, the gentleman from Georgia has cited a number of manufacturing concerns which have

made, as he contends, enormous profits and whose good will is valued at many millions.

Many of those concerns will find new competition developing as soon as this bill is enacted. Many of them right now have the power to control the price of their products through expensive methods sanctioned by the Supreme Court. Some of them have their own chain stores and sell direct to the consumer. Some of them use the consignment system and others have exclusive-agency contracts.

The little independent manufacturer in all the lines mentioned are under a hopeless handicap at present, and it is that kind of manufacturer I am interested in. Give him a chance to sell his standard product on its merits and his right to protect the price against manipulation of those who desire to use the goods as bargain bait and you will see him a real competitor for these giant concerns.

No one here undertakes to take out of the hands of great corporations the right to control their prices by methods sanctioned by the Supreme Court. I maintain, then, that the public welfare demands that we add the inexpensive, efficient method of agreement which will permit the small manufacturer to compete with these others in the marketing of his product.

There is another question raised here to-day, and that is the attitude of the National Farm Bureau and other organizations of the kind.

President Sam H. Thompson, of the American Farm Bureau Federation, delivered an address at the twelfth annual convention held in Boston on December 8, 1930.

He pointed out control of distribution by the producer is just and necessary to progress. I quote his words:

Selfish interests that have opposed development of a producer-controlled commodity-marketing system have attempted to mislead consumers into thinking the successful establishment of a farmer-owned and farmer-controlled marketing system would increase the cost of foodstuffs to the consumer. That is not true.

It is the unrestricted development of the speculative system that has increased the consumer cost. This expensive system is what we are trying to replace with a producer-controlled marketing system.

Now, I give President Thompson credit for intellectual honesty. He will not argue that the farmer-producer be given a right which an independent manufacturer-producer may not have. Every word of his statement applies to one as to the other. If his logic is good as applied to the farmer-producer control, not meaning higher prices to consumers, it is good also as applied to the maker of a standard, trade-marked article, whose success depends upon his supplying a good article at a reasonable price.

This statement is inspiring proof that the farmers of this country are coming to see clearly the evils of the cut-throat system of marketing standard goods.

I have in my possession a letter sent to me by L. J. Taber, master of the National Grange, in which he says:

It has been brought to my attention that in various parts of the country chain stores have in many instances sold potatoes, milk, watermelons, and other farm products below actual cost in order to attract trade. The practice has been to make "leaders" of these and similar commodities and to depend on the sale of other merchandise for profits.

The effect in such cases has been to greatly depress the price of farm products in the sections where these practices prevailed.

The National Grange is in favor of protecting the interests of the agricultural producer from undue depression in price, while safeguarding the interests of the consumer by the adoption of such measures as will insure fair and honest competition.

Out of my high regard for Mr. Taber I am convinced that he means exactly what he says and that he stands for fair and honest competition. I believe the National Grange as a whole stands for that principle. Then it must follow that if making farm products "loss leaders" is an evil, so also there is an evil in using goods stamped with the individual maker's name as bargain bait at ruinous prices in order to sell other goods on which high profits may be made.

Once let that evil and its results be understood and you will witness a great forward stride toward fair and honest business.

Mr. YON. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. YON. The intention of the bill that the gentleman has introduced, and which has been reported by the committee, is to maintain a fair price for trade-marked merchandise and to keep one merchant from taking advantage of this competitor by cutting the price unfairly?

Mr. KELLY. Exactly. Such a practice destroys the good will of a good article which the public desires.

Mr. YON. Also, we know that there are certain interests in business in this country to-day that are cutting prices for something they know the people are accustomed to buying at an advertised price, and if they can use that as an advantageous piece of advertising and attract customers to their store, that is what they are doing it for.

Mr. KELLY. Yes; it is bargain bait for the purpose of luring customers into the store, not to sell them these goods, but to sell them other goods on which an excessive profit is made.

Mr. YON. To the disadvantage of the independent dealer as well as the small manufacturer.

Mr. KELLY. Yes; in many cases to the destruction of the independent dealer.

Mr. BLANTON. Will the gentleman yield for a friendly question?

Mr. KELLY. I yield.

Mr. BLANTON. What I have in mind is where these chain stores, for instance, put up Lea & Perrin's sauce, which, as is well known, sells for 30 cents, and then as a leader they advertise it at 15 cents to get suckers in their store and sell them other articles at a tremendous profit.

Mr. KELLY. That is this unfair practice in a nutshell.

Mr. BLANTON. What other way have we of reaching such a transaction other than by the gentleman's bill?

Mr. KELLY. No way that I know. Congress can only deal with this question through some sort of protection of a standard article that goes into interstate commerce. Those who have protested that they favor the independents against these gigantic consolidations but are opposed to this bill have not provided a measure which would deal with the problem at all. They are content to oppose this measure, which is the only one that has been suggested dealing with this tremendous concentration in merchandising, and which has been discussed for many years.

Mr. MORGAN. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. MORGAN. Is it not the fact that the easiest method of destroying competition of small producers would be a refusal to protect his trade-mark?

Mr. KELLY. Yes; and many have been destroyed on that very basis. The gentleman from Ohio is absolutely right. The little independent manufacturer is helpless in the face of an attack upon him by these nation-wide retail organizations. He has no recourse, and yet I want to bring to the attention of the committee right now the fact that there are manufacturers that do have protection against this very cut-throat practice. The Supreme Court of the United States has never said that there is anything wrong about the maintenance of a resale price. They have given it their judicial blessing through several methods. In the case of Henry Ford they permit him to name the resale price of every automobile he makes, and the price is uniform all over the United States f. o. b. Detroit.

Mr. COX. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. COX. The gentleman, I am sure, is not contending that Henry Ford is carrying on his operations under a resale-price contract?

Mr. KELLY. I contend he is maintaining his price through exclusive-agency contracts.

Mr. COX. But his resale price is merely suggested to the dealer.

Mr. KELLY. No; the resale price of the Ford car is laid down to the dealer.

Mr. COX. I understand that; but it is not binding upon the dealer, if the dealer be the owner of the article itself.

Mr. KELLY. That is not the question involved.

Mr. COX. That is the test of the gentleman's statement.

Mr. KELLY. I will say that in my estimation—

Mr. COX. That is the sole question involved; in other words, you have given this House to understand that the fixing of resale price by contract is indulged in by Henry Ford and that it is sustainable under the law. I challenge that statement and say—

Mr. KELLY. I am sorry I can not yield for a statement.

Mr. COX. Is he not simply suggesting the resale price?

Mr. KELLY. Let me complete my answer.

Mr. YON. If the gentleman will permit, it might not be that he has any contract that will force him, under the law, to maintain that price—

Mr. COX. You can not force him under the law.

Mr. YON. But he has the fear of losing his contract with the Ford Motor Co. if he cuts the price.

Mr. KELLY. And, of course, that is the most effective power possible and produces the desired results.

Mr. COX. Every manufacturer has that same power.

Mr. KELLY. But not the capital necessary to do it. I would like to continue my statement, and if I may be allowed to continue, I am sure I will answer these questions that come up without taking so much time.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. COOPER of Ohio. Is it not a fact that Colgate's products are sold at a resale price?

Mr. KELLY. They are trying to do it through refusal of sale.

Mr. COOPER of Ohio. And that they are sold at the same price at all stores?

Mr. KELLY. They are endeavoring to do that in every way possible. There have been several Colgate cases in the courts.

Mr. COX. But the contracts are not binding on the retailer.

Mr. KELLY. No; there can be no contract. Now let me continue: I make the statement, without fear of contradiction, that Henry Ford and the automobile manufacturers of the United States have operated from the beginning on a legal price maintenance plan. They stipulate the price and maintain the price to the last unit, and the Supreme Court has said that that was legal and valid. As a matter of fact, the cars have to be paid for in advance. The car is not shipped out until the money is paid.

Mr. COX. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. COX. Do I understand the gentleman contends in the automobile trade that the manufacturers of automobiles have the right to bind the dealer by contract?

Mr. KELLY. By exclusive-agency contracts; yes.

Mr. COX. By the power of refusing to sell him?

Mr. KELLY. Yes; but there is an express contract.

Mr. MORGAN. But it is effective.

Mr. KELLY. That is the point I make. Now, under the General Electric Co., a new practice comes in. They sent out their Mazda lamps and waited until they were sold, maintaining the resale price, and the Supreme Court said it was legal.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SHREVE. I yield the gentleman 10 minutes more.

Mr. KELLY. Mr. Chairman, I maintain that the great corporations, the manufacturers with unlimited capital, are able to maintain their price to the last unit, but that the little manufacturers are not able to do so under present conditions.

The little independent manufacturer has no protection, for he has not the capital necessary. I am interested in him, and I am contending that every independent maker of standard goods who puts into an article his name, his character, and his money, ought to be able to protect it against piracy in business. He ought not to be confronted with the unfair practice by which his article is used as a bargain bait and then put it under the counter so that unidentified substitute goods can be sold at an immense profit.

I am also interested in the independent dealers of this country—a million and a half of them—who are able to serve their neighborhoods better than any chain store ever organized in New York or Chicago.

Mr. Chairman, I have no apology to make for making the best fight I know how to make for the independent business man in America. He has been the backbone of our commercial system, with its marvelous progress.

This Nation has been built on the principle of individual initiative. Other forms of government have sought to select those who would enter the race for the prizes and also those who would win. America has undertaken to train all the runners and give them an equal start and see that they had a fair chance to win the prizes of life.

Any system of business which tends to monopolize opportunity and to prevent Americans from using their individual initiative is alien to our ideals.

It is a priceless right for a young man to stand on his own feet and to stake his fortunes on his own abilities, to capitalize his character and his personality in a business under his own name. It is a most bitter fate for a man, capable of independent action, to be forced to spend his life in taking orders as to every trivial duty and forever be debarred from the fine adventure of making good on his own merits.

I would rather have a hundred small manufacturers with a sense of individual proprietorship putting their lives and enthusiasm into making products bearing their distinctive names than to see one great corporation turning out a hundred products.

I would rather see a thousand merchants, each building up his own reputation and good will through efficient service of his friends and neighbors, than to see one system with a thousand units, each in charge of a hired manager, in the community to-day and gone to-morrow.

Presidents in their messages have taken that view; courts in countless decisions have pointed out the vital importance of such diffusion of proprietorship; Congress has passed many laws to prevent monopolies from destroying small business men.

Yet for a number of years the law intended as a shield to protect the independent business man has been transformed into a sword to ruin him. And to-day we find men vigorously and violently opposing the attempt to restore the law to its real function and purpose.

Worst of all, they reproach us with attempting to do the very thing we intend to remedy. They cry "Monopoly" against an antimonopoly measure. They shout "Oppression of the consumer" against an effort to free the consumer from fraud and extortion. They weep over the danger of injury to the retailer, who is being destroyed because of the lack of the square deal this bill gives him. They prophesy the very evils we desire to cure.

Such tactics will not avail. Here is the only measure now before this Congress for the protection of the independent business man against the danger of unjust domination in merchandising. Those who believe in independent business should lend a hand now.

Mr. MORGAN. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. MORGAN. Is it not a fact in the automobile trade in a large number of corporations they absolutely dictate to their customers the retail price, and unless the small operator conforms they, through their power, can control the entire product and in effect the resales?

Mr. KELLY. That is true. The little manufacturer can not compete. Already under the present cutthroat system mergers have become the order of the day. These independent concerns, many of them, are now banding themselves together. Why? Not because they desire to give up their distinctive name and the reputation that some of them have built up through many years but because they are being forced to merge for the protection of their own product against pirates in the retail business.

Mr. CLARK of Maryland. And is it not also the fact that the real purpose of this bill is to restore to the people the merchandising right they always enjoyed up to 1911?

Mr. KELLY. Yes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. BLANTON. I am interested in 120,000,000 consumers of the United States who are having all of their local independent retail merchants taken away from them and are forced to trade with these chain stores.

Mr. KELLY. That is the situation and the whole community loses under such conditions.

Mr. BLANTON. And when they go in there and buy \$3.40 worth and come to pay their bill there have been instances where they have been handed a bill for \$4.40 or \$5.40, when they do not have time to count their purchases and the prices, and they pay the excess and are robbed, and numerous unsuspecting people never find it out.

Mr. KELLY. There have been cases of that kind.

Mr. COX. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. COX. The gentleman has said in effect that price fixing by contract was permissible until 1911.

Mr. KELLY. Yes.

Mr. COX. Of course, the gentleman is referring to the decision in the Miles case.

Mr. KELLY. That is right.

Mr. COX. Did not the court hold that the contract was not only violative of the antitrust act, but was likewise contrary to national public policy and against the common law.

Mr. KELLY. I understand the question of the gentleman and I will answer him.

Mr. COX. And that system of doing business has been under the condemnation of law all the time, and it was not made so by the decision interpreting the law.

Mr. KELLY. I decline to yield further. The gentleman from Georgia had an hour and more and I did not take his time.

Mr. COX. But I did not make inaccurate statements.

Mr. KELLY. I can back up every statement that I have made. These conditions I complain about are due largely to the change in merchandising which came about from that decision in 1911. Up to that time it had never been questioned in the Supreme Court that the manufacturer of a trade-marked standard article had a right to make a resale price contract which was legal, and in the earlier Doctor Miles case of 1906 it was declared by the district Federal court that such a right was absolutely essential to the conduct of his business—not only legal but necessary to his existence. I believe that decision to be a true statement and that there is only a slight difference in the facts between the Doctor Miles case in 1911 and the General Electric case.

The Supreme Court, under the Doctor Miles case, ruled out the contract. In the General Electric case it validated the consignment contract. This bill simply means that a resale-price contract will have the same effect it had prior to 1911. It is the restoration of a right which was held by business men up to that time. Is anyone going to say that there is anything revolutionary about this bill? Is there anything revolutionary about a measure which simply restores what was held legal up to 1911?

Mr. COX. Mr. Chairman, will the gentleman yield? Is not the gentleman familiar with the rulings of the courts of this country on price fixing?

Mr. KELLY. I am familiar with them and I have read every case.

Mr. COX. If the gentleman says that the decision of the Supreme Court in the case in 1911 was the first pronouncement on the subject, he is in error. There are prior decisions of inferior courts which held price fixing by contract illegal.

Mr. KELLY. Oh, let the gentleman cite those and put them in the Record. The first case on resale-price agree-

ments that came to the Supreme Court was in 1911, and that is the decision which has led to the present situation.

With the gentleman from Texas [Mr. BLANTON], I am interested in the consumer, and this question is not a question alone as to the welfare of the little retailers of the country—a million and a half of them in the communities of America. It is not even of the greatest importance if little manufacturers must be forced out of business, but it is vastly important whether we are going to destroy the individual initiative which has been the American foundation stone in business, and this bill deals with that very question.

If we allow this cutthroat competition of to-day to continue for the next 10 years as we have permitted it to go on for the last 10 years we will see a combination in control of merchandising which will bring a monopoly danger such as we have never faced, because a selling monopoly is a far greater menace than a monopoly of production. The investment of a billion dollars may not mean a monopoly in production while an investment of \$500,000 in one community may take over all outlets of distribution. That selling monopoly as far as it has grown has largely been built up by this unfair-trade practice of using trade-marked articles as bait in order that the people may think that all other goods in the store are sold at equal bargain prices. The gentleman from Georgia [Mr. Cox] referred to Mr. Strauss talking about good-will value in certain prices, and that there is 25 cents added for good will in certain small products. Do you suppose for a minute that a manufacturer in competition with 100 other manufacturers of the same class of goods could deliberately set down a 25-cent charge as good will? His good will depends only on his price and quality in competition.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I am sorry, but I can not yield further. His good will depends on the price and quality. If he advances that price to a point where it is excessive compared with others he loses his good will, and his trade-mark, instead of being an asset, is a liability.

Articles have lost all their good will because of lessened quality. The quality brought appeal and patronage followed, and then, thinking to make more money, perhaps, the makers gave lower quality, and the article went off the market because the people would not buy.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KELLY] has again expired.

Mr. SHREVE. I yield to the gentleman from Pennsylvania two additional minutes.

Mr. KELLY. Mr. Chairman, the entire interest of the public is in fair trade. All laws against unfair competition are enacted on the principle that the public ought to be protected against fraud and deceit in business. That is the purpose of this bill. It is a bill for the protection of honest business and for the protection of the public against dishonest practices. If passed, it will, I am sure, bring just relief to honest business in the United States, which is to-day handicapped in the service of the public.

Mr. ERK. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. ERK. This bill carries out the policy of "live and let live."

Mr. KELLY. Precisely; a square deal in business, for the public good.

Mr. ERK. Every Member of this House, I am sure, has seen small business concerns wiped out from time to time. Is it not better to have a hundred more or less small but happy, contented taxpayers in one community than to have one man making millions by himself?

Mr. KELLY. That is it exactly. And my colleague from Pennsylvania [Mr. ERK] and I have American tradition with us in that contention. That tradition has never been better expressed than by the Supreme Court of Ohio in a Standard Oil case when it said:

A society in which a few men are the employers and the great body are merely employees or servants is not the most desirable in a Republic, and it should be as much the policy of the laws to multiply the numbers engaged in independent pursuits or in the

profits of production as to cheapen the price to the consumer. Such a policy would tend to an equality of fortunes among its citizens, thought to be so desirable in a Republic, and lessen the amount of pauperism and crime.

Mr. Chairman, the Member of this House who votes for this bill takes his stand for every little manufacturer who makes a quality, identified product, and backs it with his name and guaranty against every similar article in the world.

He takes his stand for every wholesaler in the land, who is an essential factor in efficient distribution.

He takes his stand for every independent retailer, who serves his patrons better than any unit in a huge chain ever can serve them.

He takes his stand for the consumers who desire to pay a fair price for the articles they buy but who are being duped and cheated by fake bargains which mean a penny put in one pocket and a dime taken out of another.

He takes his stand for the local community, which is always injured by the domination of foreign-owned business, whose only object is to exploit, never to preserve and develop.

Some of you have served long in Congress and some of you will serve many years to come. In my deliberate belief you have never had and you will never have a chance to cast a vote for a measure more beneficial to honest business or one more in line with the fundamental American principle, so well expressed by Theodore Roosevelt as "a square deal to every man and woman and little child." [Applause.]

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. The gentleman from Georgia [Mr. CRISP] is going to discuss one of the most important subjects we have before Congress. Would it not be in order at this time to make a point of order of no quorum and get a fair count so that we can get the membership here, or at least have the bells rung so that the absent Members may know about it? They should all hear his speech.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. CRISP. I hope the gentleman will not pursue that course. I do not desire a point of no quorum made.

Mr. OLIVER of Alabama. Mr. Chairman, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, this bill carries the annual appropriation for the Bureau of Foreign and Domestic Commerce. If there is one agency in the Government that repays in services rendered to the taxpayer 100 per cent for the amount disbursed, in my opinion, it is the Bureau of Foreign and Domestic Commerce.

I am especially interested at this time in the work of the bureau in connection with domestic commerce.

I commend the committee for increasing the appropriation for this division and including in the appropriation money to carry on the survey of current business. This function was transferred to the Bureau of Foreign and Domestic Commerce and one can not estimate now the full value that will be derived from this activity which is interlocked with the census on distribution authorized by the Congress for the first time in the 1930 census.

The survey known as the Louisville national grocery-store survey is about complete and ready for editing and publishing. It has already been shown the survey has been of great value to the independent merchants of Louisville, and likewise will be of benefit to the grocery trade of the entire country.

The next outstanding survey provided for in this appropriation will be the drug-store survey in my city, St. Louis. It will cover one full year and five representatives of the bureau, headed by Wroe F. Alderson, chief business specialist, arrived in St. Louis during the present week.

The drug trade has pledged itself to an amount of \$75,000 for this work, which is evidence of complete cooperation.

The national drug-survey committee selected St. Louis for the study. Eight independent and two chain stores have been chosen for the survey. From time to time the results of the survey will be available to those interested.

There are many reasons why this survey will be of great value to the merchants of the country.

One of the great differences between independent merchants and organized groups of merchants lies in the ability of the latter through their wealth and ramifications to keep constantly in touch with and apply the very latest thought in merchandising practice. The average merchant, while equally worthy, can not do so because of his lack of such facilities. Independent merchants are turning to the Department of Commerce by the thousands for just this kind of help and that help must not be denied them.

It is well known that the majority of retailers and wholesalers have been too haphazard in their methods of operating. It is true that most of them have been slow in instituting systems of cost accounting and inventory control such as have so immensely benefited the merchants who have done so. The great accomplishments of such projects as the Louisville survey, for example, lie in the proof they build up that practically every merchant can make a better showing by modernizing his methods in these respects. This emphasis is positive and not negative. The big job that is clearly ahead of the Department of Commerce is that of bringing to every merchant in the country a realization (1) of the heavy losses that he incurs annually through lack of merchandise and market control, and (2) that such control can be acquired in the form of simple and orderly systems that will put him on a par with heavily financed multiple-store groups without necessitating extra expense.

The Department of Commerce has been at the utmost pains to make sure that the results of this work could be used by the independent merchant, large or small. Just two months ago it was ascertained from a store-to-store check-up that almost without exception the stores surveyed in Louisville are now doing a larger business with the same investment and overhead expense, or are showing a larger net profit on volume formerly enjoyed. Capping this test is Bradstreet's startling announcement that the number of grocery failures in Louisville declined 80 per cent last year in the very teeth of business depression.

It is common knowledge that a substantial part at least of the unemployment problem already has its source in the large number of annual retail and wholesale failures with their consequent sloughing of men into the street. The big outstanding lesson of Louisville survey is that these middle class and small merchants do not need to fail; that a remedy is available in the form of improved methods, popularized throughout the country. Over 15,000 merchants failed in 1929 and they must have made an enormous contribution to the ranks of the unemployed. The toll of jobbers and manufacturers has been likewise devastating. The department feels that many of our middle class and small merchants are failing simply through imperfect understanding of modern merchandising methods that heavily capitalized groups can afford to evolve and apply. The country needs those merchants. Every community needs them. In the mass, there is no more solid element in our national life. The Department of Commerce is the perfectly natural and efficient agency through which they can keep abreast of the times. To my mind, it is largely through nation-wide application of the principles being worked out by that department in cooperation with all the trades that this dangerous tide is to be stemmed.

The following is a list of the members of the National Drug Survey Committee in a large degree responsible for the inauguration of the survey:

NAME OF ASSOCIATION AND REPRESENTATIVE

American Association Colleges of Pharmacy, C. E. Caspari, dean St. Louis College of Pharmacy.

American Bottlers of Carbonated Beverages, Carl A. Jones, president, Bristol, Va.

American Drug Manufacturers' Association, C. G. Merrell, W. S. Merrell Co., Cincinnati, Ohio.

American Manufacturers of Toilet Articles, William L. Crounse, Washington representative, Washington, D. C.

American Pharmaceutical Association, Dr. S. L. Hilton, chairman of council, Washington, D. C.

American Pharmaceutical Manufacturers Association, Carson P. Frailey, G. D. Searle & Co., Chicago, Ill.

American Surgical Trade Association, W. C. Kroman, 38 South Dearborn Street, Chicago, Ill.

Clock Manufacturers Association of America, W. S. Hays, secretary-treasurer, Philadelphia, Pa.

Coca Cola Bottlers' Association, J. M. Drescher, director of research, D'Arcy Advertising Co., St. Louis.

Druggists Research Bureau, Alfred W. Pauley, member executive committee, St. Louis.

Eastern Soda Water Bottlers Association, Junior Owens, representative, Washington, D. C.

Federal Wholesale Druggists Association, Paul Pearson, U. R. E. Druggist (Inc.), Baltimore, Md.

Glass Container Association, W. L. Davis, member executive staff, New York, N. Y.

Greeting Card Association, J. C. Hall, Hall Bros., Kansas City, Mo.

International Association of Ice Cream Manufacturers, Fred Rasmussen, executive secretary, Harrisburg, Pa.

Master Photo Finishers' Association, Walter W. Hicks, vice president, Washington, D. C.

National Association Boards of Pharmacy, A. C. Taylor, member executive committee, Washington, D. C.

National Association of Drug Manufacturers, Robert L. Lund, vice president, Lambert Pharmacal Co., St. Louis.

National Association of Retail Druggists, Dr. A. C. Taylor, chairman executive committee, Chicago, Ill.

National Chain Drug Store Association, Associated Chain Drug Stores, G. E. McCann, Washington, D. C.

National Commercial Fixture Manufacturers' Association, C. F. E. Luce, secretary, Grand Rapids, Mich.

National Confectioners' Association, Louis B. McIlhenney, president Stephen F. Whitman Co., Philadelphia, Pa.

National Conference on Pharmaceutical Research, Dr. L. L. Walton, Williamsport, Pa.

National Gift and Art Association, W. S. Hays, secretary, Philadelphia, Pa.

National Publishers' Association, George C. Lucas, executive secretary, New York, N. Y.

National Wholesale Druggists' Association, H. H. Robinson, St. Louis, Mo.

Ohio Valley Druggists' Association, J. Otto Kohl, chairman trades committee, Cincinnati, Ohio.

Proprietary Association, E. F. Kemp, president A. H. Lewis Medicine Co., St. Louis, Mo.

Rubber Manufacturers' Association, C. N. Holligan, department manager, A. L. Viles, secretary, New York, N. Y.

Western Confectioners' Association, L. C. Blunt, treasurer, president W. C. Nevin Candy Co., Denver, Colo.

St. Louis Retail Druggists' Association, Ben Griesedrick, president.

International Association of Display Men, National Electric Manufacturers' Association, Wholesale Stationers' Association, O. P. Merryman.

The primary results of the Louisville survey are set out in the following report just issued by the Bureau of Foreign and Domestic Commerce:

A report on the 26 grocery stores and various wholesale houses connected with the Louisville National Grocery Store survey clearly indicates the broad movement for trade betterment which has taken place there as a direct outcome of the study made by the Bureau of Foreign and Domestic Commerce. Several stores have literally taken on new fronts, have installed modern lighting systems, have put in new shelves, and are attractively displaying their merchandise on central-island tables. It is most significant that such remodeling, in practically every instance, has resulted in more sales, in some cases accounting for as much as a 35 per cent increase. Then, too, the inauguration of an orderly and convenient arrangement of goods has greatly reduced the work of operating some stores, making it possible for the clerks to spend more time in keeping the shelves dressed for the day's business. Slow-moving, dust-accumulating stock has been replaced in nearly every store by "best sellers," with a consequent release of capital for reinvestment in active items.

About half of the retail stores studied have upon recommendation been keeping records of some sort, distinguishing turnover, gross margin, and net profit by individual lines. For the most part these stores have gained a sure appreciation of the fundamentals of successful merchandising and in general are making good application of the survey results. One retailer estimates that

since the survey he has been checking his purchase invoices and he has caught shortages in wholesale orders and errors in price to the amount of \$500. Nearly all have followed the specific recommendations of the survey by setting aside a definite place for everything and going over their stock frequently in order to keep it up to standard and to spot the items of little or no demand. Many who have come to realize the losses inherent in too slow turnover and the fallacy of excessive turnover are governing their purchasing policies accordingly.

In one retail store, following the application of the principles developed in the survey, a sharp reduction in inventory, the elimination of stock which had been on hand for up to 25 years, and the institution of other efficiencies, induced by the survey, the total business was definitely increased from \$80,000 a year to \$96,000 a year.

More specifically, it was found that in one store the installation of a new vegetable rack increased sales 10 per cent in that department alone, and had reduced spoilage—a distinct saving in itself. Many retailers report that they have profitably cut off small delivery customers that were costing more than was realized from their business. One proprietor completely remodeled his store so that customers could wait on themselves, and found that he not only retained his customers but brought about a marked decrease in overhead expense.

WHOLESALE COOPERATE TO BETTER CONDITIONS

Wholesalers in Louisville organized effective cooperation and effort following the survey in helping to improve local grocery conditions. It is interesting to note that one enterprising wholesaler has installed a model retail grocery store in his plant for the benefit of customers, in which a special clerk explains plans for a modern layout. The proprietor also conducts a regular school, where the lessons of the survey as to model stocks, selling, credit control, and analysis of customers are discussed. Such a policy has created a tremendous amount of good will for him, besides directly increasing his volume of business. Another has with profit revised his sales territory, confining himself to these accounts where he can establish a complete line. Finding that his most profitable line was salad dressing, he concentrated on selling it, and now reports an 80 per cent increase in sales in that commodity.

The organization through which the bureau has worked in making available the Louisville survey data is organized as a direct result of the survey in the Allied Food Committee. Composed of local grocery manufacturers, wholesalers, and retailers it has through its various energetic subcommittees disseminated valuable information developed in the survey on many subjects of vital interest to the welfare of Louisville merchants. One of the plans on which the Allied Food Committee has made definite progress in the establishment of a minimum-size order from retailers. It would, for example, have the groceryman, who now buys 4 loaves of bread from each of 5 wholesalers purchase instead 10 loaves from each of 2 dealers. The wholesalers, manufacturers, and some of the retailers have agreed to try out this plan. The committee is also considering just now what shall be a minimum-size order for flour, and how best stale-bread returns may be reduced. A splendid spirit of cooperation prevails among the local merchants.

GROCERY-STORE BANKRUPTCIES SHOW DECREASE

The records show the percentage of grocery-store failures in Louisville has been lower during recent months (15 in 1929, only 3 in first 11 months of 1930) despite the general depression in business, than during normal times. No one can say how many of these firms would have failed during the difficult economic conditions prevalent throughout the country, nor how many of the hundreds of employees working in those establishments would have been thrown out of work had these proprietors not applied to their business the plain merchandising lessons brought out by the survey.

The lessons learned at Louisville, and the clearly established benefits which accrued to the grocery trade, brought prompt and widespread results outside of that immediate field. A distribution-cost study, which analyzed the selling and delivery expenses in two selected wholesale grocery houses, one in Missouri and the other in Kansas, furnished valuable supplementary information to the Louisville data following an immediate demand by the trade.

The Ohio State Grocers' Association, cooperating with the research department of the Ohio State University, was assisted by the bureau to set up machinery to enable all the wholesale grocery houses in that State to install the improved method of calculating distribution costs developed in Louisville. The bureau also assisted the National Wholesale Grocers' Association and the Associated Grocery Manufacturers of America (Inc.) in a study to clarify the proper arrangement and function of the warehouse in distributing groceries. This study covered the experience of 15 grocery houses in 13 scattered cities in the East. A study of retail grocery delivery expenses was undertaken by the bureau in cooperation with the National Wholesale Grocers' Association, the Associated Grocery Manufacturers' Association of America (Inc.), and the National Association of Grocery Retailers of America to make the study. It encompassed 4 cities and 30 different retail stores. The trade has made clear the practical value of the results of the study.

MODEL STORES SPREAD LOUISVILLE LESSONS

A most practical form of assisting the average grocer was worked out at Louisville by helping him actually to rearrange the interior

of his store so as to increase its attractiveness, cleanliness, lighting effects, and general customer "pulling power." A model store embodying the best thought of the trade in store arrangement was constructed, exhibited, and explained to every grocer in Louisville. Outside of Louisville this model store resulted in the complete remodeling of every grocery store in Glasgow, Ky., a near-by town. This was the entire grocery trade of the town. The demand for the model store has spread. One was set up in Jacksonville, Fla. Within 60 days it was visited by more than 50,000 people. As a result more than 60 retail grocery stores in Jacksonville, as well as many others throughout the State, have been made over to conform to the model-store arrangement with the same benefits obtained in other communities. Prompted by an insistent demand, we have just set up another model store at Des Moines, Iowa, where our district office reports more than 200 grocers attending its opening, many of them taking immediate steps to follow the model plan in their establishments.

The fact that the principles worked out at Louisville are just as useful to manufacturers in solving their own problems of distribution as they have been proved to be among wholesalers and retailers is evidenced by steady demands upon the bureau for similar assistance to producers. For example, the bureau applied the Louisville principles to eight selected confectionery manufacturing plants. The same evidences of the principal value of the program in cutting down distribution costs have come in from the confectioners as from all others who have used the methods.

UNIFORM COST SYSTEM DEVELOPED

A by-product of this work has been the development by the bureau's personnel of uniform systems of cost accounting in the field of distribution, now being considered for adoption by the official body of certified public accountants. This aims at the heart of the entire distribution-waste problem, for an outstanding cause of our trouble has been our failure to apply to distribution the principles of cost control that have been responsible for so much of our inefficiency in production.

A detailed report of the findings for each of the 26 retail grocery stores and of the 7 wholesale grocery stores surveyed in Louisville follows:

RETAIL GROCERY STORES

Store No. 1: Counters eliminated; new shelves installed; store papered and painted. Vegetable rack set up, increasing sales in that department by 4 per cent and reducing spoilage. Inventory reduced.

Store No. 2: Old soap in basement for last 25 years closed out. Business increased from about \$80,000 to \$96,000 a year since the survey.

Store No. 3: Remodeled, with shelving lowered and made available to the customer; center aisle with cases installed. Six small-order customers eliminated. At least 20 per cent more business.

Store No. 4: Twenty slow-pay customers eliminated; commodities with insufficient consumer demand eliminated. Inventory reduced \$1,000. Vegetable rack installed, increasing sales in this department 10 per cent.

Store No. 5: Twenty poor-pay and small-order customers eliminated.

Store No. 6: Show window for bakery products installed; center tables, and fruit and vegetable racks set up. Brands reduced; inventory \$500 less, with sales normal. Several small-pay customers eliminated.

Store No. 7: Slow-moving items eliminated; three unsatisfactory customers dropped and 10 new ones added. Vegetable rack installed, which increased sales 5 per cent and reduced spoilage. New shelving installed.

Store No. 8: Completely remodeled, with new store front, new shelving, and new lighting system. Dead items eliminated from stock. Fresh fruit and vegetable business materially increased. Many new people have been drawn to this store because of new front and brightened interior.

Store No. 9: Eliminated slow-moving items and poor-pay customers. Inventory reduced.

Store No. 10: New shelving, repainted front, newly papered ceiling and walls. Mechanical refrigeration installed. Sales increased.

Store No. 11: Increased sales and stock. Slow-moving items eliminated.

Store No. 12: About 50 per cent inventory reduction.

Store No. 13: Inventory reduced \$500. Slow-moving items eliminated. Sales improved.

Store No. 14: Open shelving installed. Overhead reduced. Inventory reduced \$400. Dead items eliminated; coffee items reduced to six. Planning for complete control of sales to show up shortages.

Store No. 15: Inventory reduced \$200; overhead reduced. Slow-moving items and poor-pay customers eliminated.

Store No. 16: Inventory reduced \$100. Cash sales increased. Handbills very effectively used. Cash-register plan of accounting installed.

Store No. 17: New shelves, vegetable racks, and center island installed. Many benefits realized immediately, including increased sales.

Store No. 18: Entirely remodeled, with new shelving, vegetable rack, and center island installed. Inventory reduced, especially in large notion stock. Poor-pay customers eliminated.

Store No. 19: Stock in much better condition. Brighter store.

Store No. 20: Painted and brightened up. Mechanical refrigeration installed, with consequent savings. Slow-pay customers eliminated.

Store No. 21: Layout improved, with increased sales and profits.

Store No. 22: Store front painted; soda fountain installed; shelving extended to floor; center island put in. Layout completely changed. Inventory reduced \$700. New customers have taken place of dropped slow-pay customers.

Store No. 23: Inventory reduced \$150. Items cleaner and everything active. Recent tendency toward increased sales.

Store No. 24: Completely remodeled, with wait-on-yourself system installed; handling same volume of business, with reduced overhead. Great improvement in stock. Shelving extended to floor; center island installed, and fruit and vegetable rack set up, with consequent reduced spoilage. Attractive front, new lighting fixtures, and other changes have vastly improved this store. Business increased nearly 35 per cent.

Store No. 25: Slow-moving items eliminated. Discontinued small-item delivery unless on regular run.

Store No. 26: This store was a front-parlor institution with an annual sales volume of about \$5,000. The proprietor since the survey has quit the grocery business to engage in other activities. The survey disclosed that this store's sales of \$12 to \$14 a day were costing about \$7 a day in wholesalers' selling costs. The elimination of this store was a definite gain and a clear elimination of waste in the Louisville grocery distribution field.

WHOLESALE GROCERY ESTABLISHMENTS

Store No. 1: Some 350 unprofitable customers eliminated. Expense of handling business now less per dollar sales, because there are fewer customers to serve and because each one is buying more. More emphasis placed on general grocery line; unprofitable territory eliminated. Model grocery store installed for the education of customers; also regular school conducted by the proprietor, where fundamental principles, such as store layout, model stocks, credit control, etc., are taught. Much good will has been built up, and the actual volume of goods moved and profit made considerably ahead of last year.

Store No. 2: Better informed; making more profit than ever before.

Store No. 3: Expanded old territories and opened up new territory; profitable change. Proprietor confined himself to those accounts in which he could establish a more complete line. Found his most profitable line was salad dressings, so concentrated on this line, with an 80 per cent increase in volume.

Store No. 3: No material change.

Store No. 4: Increased sales.

I have no doubt but that the St. Louis survey of drug stores, in view of the experience gained and benefits resulting from the Louisville survey, will even be more complete and equally beneficial, if not greater, to the drug trade than it was to the grocery trade. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman, the resolutions which I shall discuss are as follows:

House Resolution 337

Resolved, That Rule II of the House be amended by adding two new paragraphs, as follows:

"PAR. 48. A standing committee of the House shall meet to consider any bill or resolution pending before it: (1) On all regular meeting days selected by the committee; (2) upon the call of the chairman of the committee; (3) if the chairman of the committee, after three days' consideration, refuses or fails, upon the request of at least three members of the committee, to call a special meeting of the committee within seven calendar days from the date of said request, then, upon the filing with the clerk of the committee of the written and signed request of a majority of the committee for a called special meeting of the committee, the committee shall meet on the day and hour specified in said written request. It shall be the duty of the clerk of the committee to notify all members of the committee in the usual way of such called special meeting.

PAR. 49. The rules of the House are hereby made the rules of its standing committees so far as applicable, except that a motion to recess from day to day is hereby made a motion of high privilege in said committees."

House Resolution 339

Resolved, That Rule XXVII of the Rules of the House be amended by striking out paragraph 4 of said rule and inserting in lieu thereof the following:

"4. A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution which has been referred to it 30 days prior thereto (but only one motion may be presented for each bill or resolution). Under this rule it shall also be in order for a Member to file a motion to discharge the Committee on Rules from further consideration of any resolution providing either a special order of business, or a special rule for the consideration of any public bill or resolution favorably reported by a standing committee, or a special rule for the consideration of a public bill or resolution which has remained in a standing committee 30 or more days without action: *Provided*, That said resolution from which it is moved to discharge the Committee on Rules has been referred to

that committee at least seven days prior to the filing of the motion to discharge. The motion shall be placed in the custody of the Clerk, who shall arrange some convenient place for the signature of Members. A signature may be withdrawn by a Member in writing at any time before the motion is entered on the Journal. When Members to the total number of 100 shall have signed the motion, it shall be entered on the Journal, printed with the signatures thereto in the CONGRESSIONAL RECORD, and referred to the Calendar of Motions to Discharge Committees.

"On the second and fourth Mondays of each month, except during the last six days of any session of Congress, immediately after the approval of the Journal, any Member who has signed a motion to discharge which has been on the calendar at least seven days prior thereto, and seeks recognition, shall be recognized for the purpose of calling up the motion, and the House shall proceed to its consideration in the manner herein provided without intervening motion except one motion to adjourn. Recognition for the motions shall be in the order in which they have been entered on the Journal.

"When any motion under this rule shall be called up, the bill or resolution shall be read by title only. After 20 minutes' debate, one-half in favor of the proposition and one-half in opposition thereto, the House shall proceed to vote on the motion to discharge. If the motion prevails to discharge the Committee on Rules from any resolution pending before the committee, the House shall immediately vote on the adoption of said resolution, the Speaker not entertaining any dilatory or other intervening motion except one motion to adjourn, and, if said resolution is adopted, then the House shall immediately proceed to its execution. If the motion prevails to discharge one of the standing committees of the House from any public bill or resolution pending before the committee, it shall then be in order for any Member who signed the motion to move that the House proceed to the immediate consideration of such bill or resolution (such motion not being debatable), and such motion is hereby made of high privilege; and if it shall be decided in the affirmative, the bill shall be immediately considered under the general rules of the House. Should the House by vote decide against the immediate consideration of such bill or resolution, it shall be referred to its proper calendar and be entitled to the same rights and privileges that it would have had had the committee to which it was referred duly reported same to the House for its consideration: *Provided*, That when any perfected motion to discharge a committee from the consideration of any public bill or resolution has once been acted upon by the House, it shall not be in order to entertain any other motion for the discharge from the committee of said measure during the same session of Congress."

Mr. Chairman and gentlemen, first I desire to express my appreciation to the gentleman from Texas [Mr. PARMAN] for his courtesy in giving me preference over him in recognition. He was scheduled to follow at this time and he generously stood aside in my behalf. I also wish to thank my friend, the gentleman from Alabama [Mr. OLIVER] for his kindness in yielding me time.

I am going to discuss this afternoon three amendments that I have proposed to our code of rules. One of the amendments is purely technical, changing the name of a calendar from "A motion to instruct" calendar to "A motion to discharge" calendar, to conform to the discharge rule I have introduced.

It has been truly said that a chain is only as strong as its weakest link. That is true of any code of rules for the government of a legislative body. They must be judged in their entirety, and if there are weak spots in them, provisions in them which thwart and prevent the body from exercising its will, it is a weakness, and the rules as a whole must be condemned until that weakness is removed. If the amendments which I have proposed are adopted, the rules will be liberalized, and I think they will be splendid rules for the House of Representatives.

The first amendment that I propose I apprehend even the present Committee on Rules may act favorably upon, for I can not conceive how anyone can have the slightest objection to it.

In the proceedings to-day a parliamentary inquiry was propounded to the Speaker asking how a committee of the House could assemble if it had not regular meeting days and the chairman of the committee refused to call the committee. The Speaker did not answer and the Speaker could not answer how the committee could assemble, for the rules are absolutely silent on the proposition. The Speaker did say the committee could make its own rules and the committee could have a rule if it desired for meeting; and the Speaker was correct in that, of course. But where a committee has not a rule there is no way of getting a meeting of the committee, notwithstanding three-fourths of the

members desire it, unless the chairman would call the committee together.

One of the rules I propose follows two well recognized rules for the meeting of a committee, that they shall assemble on their regular day, if they have one; or, second, upon the call of the chairman. Now, I propose a third method whereby committees may meet for the transaction of public business, and it is that if any three members of a committee request the chairman to call a special meeting of his committee and the chairman refuses or fails to call that committee to meet within seven days, the chairman being allowed three days to determine whether or not he will call the committee together, then a majority of the members of that committee in writing can request the clerk of the committee to call a special meeting of the committee at the hour and day specified in the writing, and when a majority of the members of the committee have signed such a request and filed the same with the clerk of the committee, that automatically calls a meeting of the committee to assemble at the hour and day specified in the writing, and the clerk is instructed to proceed to notify the members of the committee in the usual way that there will be a meeting of the committee on that day and at that hour.

That simply makes it possible for a majority of any of the committees of this House to meet when the majority desires to do so. Surely there can be no objection to that.

That rule also contains a clause making the rules of the House applicable to the deliberations of a committee, so far as they can apply. That now, by precedent, is the rule to govern the respective committees, but the rules themselves are silent and contain no provision making the rules of the House the rules of the committees, but the decisions and precedents make them the rules of the committees.

I have a provision specifically making the rules of the committees, with this addition, that in the committees a motion to recess from day to day is a privileged motion.

Under the general rules of the House a motion to recess is not privileged, and the reason for making the motion privileged in the committees is this: The committees of the House can not sit during the deliberations of the House unless the House gives specific authority to that committee to sit during the time the House is sitting. When a committee meets, and they have no regular meeting days, when 12 o'clock comes the chairman arbitrarily adjourns the committee, and if the chairman does not desire that committee to meet again, there is no way to get that committee to assemble. The hour of 12 arrives. The chairman adjourns the committee sine die.

The object of the rule is to accomplish this: If the committee is having a hearing on a bill to-day and they have not concluded their deliberations and they desire to resume the next day, 5 or 10 minutes before 12 o'clock, they can make a motion that the committee stand in recess until the next morning at 9 o'clock. It is a privileged motion, and if it prevails, the committee meets the next day at 9 o'clock. Thus this rule gives autonomy to each of the committee and permits the committees to manage their own business, to meet as often as a majority of the committee desires to meet to transact public business. Surely there can be no objection to that rule.

As to the discharge rule, I apprehend I have many hurdles to jump.

Mr. MONTAGUE. Will the gentleman yield for a question? We all value the gentleman's opinion.

Mr. CRISP. I am happy to yield to the gentleman from Virginia.

Mr. MONTAGUE. The gentleman spoke of the committee being adjourned by the chairman at the hour of 12 o'clock. Is not the committee adjourned by operation of law, namely, the rules of this House?

Mr. CRISP. I will say to my distinguished friend that I had no intention of placing any stricture whatever upon the chairman of a committee for adjourning it. A rose by another name will smell as sweet.

The adjournment is, of necessity, by operation of law or by the chairman declaring it, and I am quite willing to

accept my friend's suggestion that a committee, unless it has special leave to sit during the sessions of the House, is adjourned by law when 12 o'clock arrives.

Mr. MONTAGUE. May I follow that with one other inquiry?

Mr. CRISP. Certainly.

Mr. MONTAGUE. I do not desire to infringe upon the gentleman's time.

Mr. CRISP. I am very happy to stay here as long as the committee desires and to answer questions to the best of my ability.

Mr. MONTAGUE. Suppose a committee does not adjourn and there is no necessity for the Members appearing in the House, and the committee transacts business 20 minutes or an hour longer? Would the business so transacted be valid or not?

Mr. CRISP. I have had considerable experience in this body and up to this hour I have never heard any action of that kind challenged in the House.

Mr. MONTAGUE. I have not either, but it has occurred to me that such a question might be raised and that it might prove embarrassing.

Mr. CRISP. I have never heard it challenged. If it were challenged, I do not know how the Speaker would rule, but I assume the Speaker would presume that if a committee reported a bill to the House that the committee was acting within the law and its authority.

Mr. TILSON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. TILSON. The members of the committee know the rules of the House and if they fail to make objection to such procedure, are they not assumed to have waived their rights? So it would appear to me that any action taken after the House goes into session would be valid if no member of the committee raised an objection to it at the time.

Mr. CRISP. I think that is tenable and I think the question of estoppel would apply.

Mr. TILSON. Any member of the committee could stop the meeting if he so desired at the very moment or any time after the House convened.

Mr. CRISP. Certainly.

Mr. MONTAGUE. Would not the rule rather be that a quorum was presumed to be present and that the business transacted after 12 o'clock was legal unless some evidence to the contrary appeared?

Mr. CRISP. That was my statement in answering my friend, that the presumption would be, if presented to the House, that the law had been complied with and that the committee had not exceeded its authority.

Mr. MONTAGUE. For example, a quorum is presumed to be present unless the question is raised and the lack of a quorum is exposed.

Mr. CRISP. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLANTON. I am sure the gentleman from Georgia wants to go far enough with the third subdivision of his proposal in order to make it effective. It provides that this notice must be given to the chairman of a committee. Suppose we should have a situation such as now exists in connection with the Committee on Ways and Means, when the chairman is not available.

Mr. CRISP. My friend is in error. I do not propose to give the notice to the chairman, but give the notice to the clerk of the committee; and as I am going to try to have more or less primary instruction as to how this rule will work, I have prepared sample orders and rules which I think could be used if this rule was adopted as the rule of the House.

Mr. BLANTON. Then it does cover a case where the chairman is not available and can not be found?

Mr. CRISP. Here is a proposition which answers the gentleman's question.

Mr. OLIVER of Alabama. Will the gentleman yield before he goes further?

Mr. CRISP. Yes.

Mr. OLIVER of Alabama. The majority leader seemed to think the principle of estoppel might prevent the question being raised as to the regularity of proceedings had after the hour of 12 o'clock had arrived. Surely if the House makes a rule that a committee can not sit during the sessions of the House, no action of the members of that committee could serve to revoke the positive action of the House.

Mr. CRISP. Undoubtedly the agent can not control his principal.

Here is an illustration of how the rule would work, answering the question of my friend from Texas [Mr. BLANTON].

The notice is as follows:

Mr. CLAYTON MOORE,
Clerk to the Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. CLERK: We, the undersigned members of the Committee on Ways and Means, desire that a special meeting of the committee be held in the committee room at 10 o'clock on January 19 for the consideration of H. R. 3493, entitled "A bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for the consideration of all other bills pending before the committee relating to payments to veterans on their adjusted-service certificates."

This request for a special meeting being signed by a majority of the members of the Committee on Ways and Means, under the rules of the House and of the committee, the meeting is automatically called for said hour and date, and you are directed hereby to issue a notice to every member of the committee of this special meeting thereof.

C. R. CRISP.

Mr. A.

Mr. B.

Mr. C.

Mr. D.

Mr. E.

Mr. F.

Mr. G.

Mr. H.

Mr. I.

Mr. J.

Mr. K.

Mr. L.

The letter is signed by 13 members. The Committee on Ways and Means having 25 members, 13 is a quorum or majority.

Mr. EDWARDS. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. EDWARDS. We have had cases where the chairman did not call a meeting when we wanted to have it and suppose the clerk fails to call the meeting after you have given him notice.

Mr. CRISP. I think the remedy would be at the next meeting of the committee to discharge that clerk, but it is inconceivable that the clerk of a committee of the House of Representatives, when the members were acting within the scope of the rules of the House of Representatives, would defy them, and if he did I think the House could punish him as a contumacious official.

Mr. EDWARDS. The chairman defies us and the chairman appoints the clerk—the committee does not appoint the clerk.

Mr. CRISP. My friend is wrong. The chairman appoints the clerk with the approval of his committee.

Mr. EDWARDS. Yes; and I doubt seriously whether the committee can remove him without the approval of the chairman.

Mr. CRISP. I think the committee could and I think if this rule were adopted as one of the rules of the House and the clerk did not comply with it, the House of Representatives would deal with him very quickly.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from New York.

Mr. LA GUARDIA. Does not the gentleman's proposed rule answer that? The majority of the committee having signed the call, and the majority meeting at the designated day, that would constitute a quorum and they could proceed to do business.

Mr. STOBBS. If the gentleman will permit, I was going to say that if you adopt this rule as a part of the rules of the House and the Clerk refuses to live up to the rules of the House, why would not mandamus lie?

Mr. CRISP. I think it would. I think you could punish him for contempt or discharge him and not have to mandamus him.

Mr. ABERNETHY. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from North Carolina.

Mr. ABERNETHY. Is this an academic discussion or is there some prospect of getting this through?

Mr. CRISP. I think that inquiry is a little bit afiel—

Mr. ABERNETHY. No; I do not think so. I am very much in favor of the rule, but I am wondering if the gentleman in his own mind has any idea we can get such a thing through as he has proposed?

Mr. CRISP. In my judgment, as I said a while ago, I think there is a possibility of even the present Rules Committee acting favorably on this particular rule, and I can see no objection to it. The other rule I am going to discuss may involve an academic discussion, but it is not offered by me simply to take the time of the House, but is offered as a basis for the body of rules to be adopted for the next Congress.

Under the Constitution each House makes its own rules. I know, of course, that this House is not going to consider the discharge rule that I am next going to discuss. I know its destiny is to sleep in the pigeonholes of the Committee on Rules and that it will never see the light of day, but I am offering it to the Members of the House to discuss it and to show its operation, believing the next Congress, no matter which party organizes it, is going to have workable rules; and I wanted to explain this rule to the House, so that the membership of the next House will have it absolutely within their power to adopt a code of rules under which they can do business. My purpose is to discuss it and to urge the next House, before they ever adopt a system of rules for their deliberations in the next Congress, to see that the House be given an opportunity to vote as to whether they desire to incorporate therein this discharge rule. [Applause.]

Now, what is this rule? I will not read it, because it is a technical subject; and without any reflection whatever on my colleagues, if read, the average one who has paid no attention to parliamentary procedure of the House or the rules of the House would not see at once how it is intended to operate. Therefore it is my purpose to try to demonstrate and explain just how the rule would function were it incorporated in the rules.

In the Sixty-eighth Congress I drafted a discharge rule and that rule was adopted with one substantial amendment. The rule I wrote provided for 100 signatures to make effective a motion to discharge. When the rules were adopted it was amended so as to require 150 names to make the motion effective. I have redrafted that old rule, placing the number again at 100, and the question may be asked why 100. I think there is the best of reasons. When you have a code of rules is it not wise to have them all conform to each other so far as practicable? Under the rules of the House 100 is a quorum in the Committee of the Whole House on the state of the Union for the consideration of tax measures, taxing the people billions of dollars; 100 is a quorum in the Committee of the Whole House on the state of the Union for us to consider and pass appropriation bills appropriating billions of dollars. Therefore, if 100 Members are competent to pass tariff bills and to pass appropriation bills, are not 100 Members of the House of sufficient importance to initiate a motion to discharge a committee, that motion only being in order to be called up on two days out of a month, and during the entire session, even in a long session of the Congress, there will probably be only 10 or 12 days during that session when this motion can operate.

It will not in any wise clog business. It will not in any way cause chaos. It will not, as I apprehend some of my distinguished friends will say, provide for legislation by petition. It will do nothing of the kind. The 100 simply initiate the motion and the motion can not be filed until the bill to which it is directed has been before one of your standing committees at least 30 days. Then, when the motion is filed, if it gets the 100 signatures, it must go on the Motion for Discharge Calendar and remain there at least seven days, and can not be called up except on the second or fourth Mondays in each month. Let me say that the old rule operated on the first and third Mondays. I changed

that to the second and fourth Mondays so as not to interfere with the Consent Calendar and the suspension of the rules, taking the two other Mondays, so as to leave the House free to consider the calendars—consent and suspension—in which they are vitally interested without interference by this discharge rule.

Now, 100 does not discharge the committee. Bear that in mind. The hundred does not discharge the committee but the hundred simply inaugurates the machinery whereby the House itself on these two days shall have the privilege of 20 minutes debate, 10 minutes for and 10 minutes against, and voting as to whether or not it desires to discharge the committee.

If the majority of the House wishes to discharge the committee and they so vote, the committee is discharged. If the majority does not desire to discharge the committee they vote against it, and the motion is defeated. It is not the hundred that discharges the committee, it is a majority of the House vote.

If the motion prevails to discharge the committee from the consideration of the bill that the committee has not reported, then under the rule it is permissible for any Member to move immediate consideration of that bill. The House is given an opportunity to say whether it desires to consider it.

If the House desires to consider, the rule provides that the House shall consider it under the general rules of the House. If the House does not desire to consider it and the committee is discharged, it goes on the calendar to remain on the calendar, the same as it would if it had been favorably reported by the committee. It is on the calendar just as it would be if it had been reported by the committee. If the committee is discharged and the House wants to consider it, they can consider it and take that day and under this provision of the rule if it is not concluded it goes over to the next discharge day, when it comes up as unfinished-discharge business.

Mr. BYRNS. Will the gentleman yield?

Mr. CRISP. I will be glad to yield to the gentleman.

Mr. BYRNS. I understand the rule to which the gentleman refers relates to standing committees. I wonder if the gentleman had any rule with reference to conference reports.

Mr. CRISP. I have a cure for that evil in the same rule, but I wanted to discuss this feature of it first.

Mr. SNELL. Will the gentleman yield?

Mr. CRISP. I will be glad to yield to the distinguished chairman of the Committee on Rules.

Mr. SNELL. I did not understand the procedure which the gentleman stated after the committee is discharged. If the consideration of the bill is not concluded on that day, it goes over until the next Monday?

Mr. CRISP. I think so.

Mr. SNELL. You can not go on the next day?

Mr. CRISP. It would go over until the next discharge day when that order of business was reached, and it would come up as unfinished business.

Mr. TREADWAY. In connection with the discharge there would often be no opportunity for a hearing by the committee to which the bill had originally been referred.

Mr. CRISP. My friend is wrong. The bill will have to be before the standing committee 30 days before you can file the motion. I say for the credit of this House and in answer to some criticisms I know will be made; I am anticipating it—some will say, oh, the committee has a very important piece of legislation and is considering it, and this rule will prevent the committee from giving serious and thoughtful consideration to the bill.

They say it would be bolshevistic to discharge the committee from its consideration when it was working on it within 30 days. I say, gentlemen, that is a slander on the intelligence of the House of Representatives. If the committee was really considering a bill, working on it, instead of getting 100 Members to sign a petition to discharge that committee, you could not get 10.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLANTON. Under the gentleman's provision, if you had 220 men present and voting on the question to take up the bill to discharge the committee, if 217 voted to discharge and the Speaker and the chairman of the Committee on Rules and the majority leader were to vote against it, you would fail, even though the vote was 217 to 3, because it requires 218 votes to have a majority of the House of Representatives. It should require only a majority of those voting, a quorum being present, as that only is required in passing bills in the House. Why not just provide that a majority of those present shall be sufficient?

Mr. CRISP. Oh, I would not sponsor for a quarter of a second any such outrageous provision as that suggested by the gentleman. That, in effect, is the rule to-day. When that rule was debated on the floor of the House I said that it was a delusion and a snare, and it was adopted not for the purpose of discharging a committee but to hermetically seal the door of the committee to prevent the bill from coming out.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CRISP. I have not yet reached the other rule.

Mr. OLIVER of Alabama. How much time does the gentleman want?

Mr. CRISP. If I discuss the other rule I do not think that I can get through in less than 30 minutes.

Mr. OLIVER of Alabama. I yield 10 minutes additional to the gentleman from Georgia.

Mr. SHREVE. Mr. Chairman, I yield the gentleman 20 minutes.

The CHAIRMAN. The gentleman from Georgia is recognized for 30 minutes.

Mr. GARNER. Mr. Chairman, will the gentleman yield for a question?

Mr. CRISP. Of course.

Mr. GARNER. In connection with the suggestion of the gentleman from Massachusetts [Mr. TREADWAY] about the discharge of a committee without the committee having an opportunity to consider the bill in question, if a committee had a bill before it for 30 days and just one day later, on the 31st day, 100 Members should file a motion to discharge, the committee would still have seven days in which to consider the bill and report it to the House.

Mr. CRISP. Not only that, but it might have more than 7 days. It has to be on the calendar for 7 days, and if you could operate within 7 days, those 7 days would have to be the 7 days immediately preceding the second or fourth Monday. Nine times out of ten it would be more than 7 days before you could get action.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. WILLIAM E. HULL. I am not very familiar with the rules, but I have a case in mind. I am on the Committee on Rivers and Harbors. The gentleman realizes that when we get on a river and harbor bill we are in session for nearly six months getting out the bill. Do I understand that if 100 Members would decide within 30 days that they wanted the bill reported out, the committee could be discharged from the consideration of the bill under this rule?

Mr. CRISP. Oh, I do not think it would apply to that at all. In the first place, I do not think anyone could get 100 Members to sign a petition in such circumstances and in the second place the bill to which the gentleman refers is not introduced until it has been before the committee for months, or the subject of it has been before the committee for months, and then, 2 or 3 days before it is introduced the bill is made up, and is put in the form of a bill with a number, and then it has not been before the committee as a bill for 30 days, but only for probably 2 or 3 days.

Mr. WILLIAM E. HULL. I want to ask another question to be sure that I am right. As the gentleman says, we are considering the subject of the bill from the 1st of December say up until the 1st of February. The gentleman says that we have not introduced the bill, and that is probably true, but we are considering the subject of the bill.

The subject of the bill is before the committee. During that time that we are doing that some one might get a little restless and want a certain river put in the bill, and all he has to do is to get 100 members to sign a petition.

Mr. CRISP. Of course not. The rule does not apply unless it is directed against some specific bill by number that has been before the committee for at least 30 days, and there is no river and harbor bill before the committee in the circumstances related by the gentleman.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BANKHEAD. The gentleman from Georgia may have stated the matter in my mind, but if so I did not hear him. Do I understand that assuming 100 signatures are signed to the petition and it is laid on the desk that there is any priority on the part of any Member favoring the bill to have the right to call it up?

Mr. CRISP. The provision is that any Member who has signed the petition can call it up. No priority is given as to the individual. If there are several motions on the calendar, they are to be called up in the order in which they are on the calendar.

Mr. BANKHEAD. At least the spirit of the rule would provide that there would be no arbitrary refusal on the part of the Speaker to recognize a Member to call it up.

Mr. CRISP. Oh, no speaker that we would elect would ever refuse to do such a thing, and I am very sure that the present Speaker would not do such a thing.

Mr. WILLIAM E. HULL rose.

Mr. CRISP. Oh, I think I have answered the gentleman's question fairly and squarely.

Mr. WILLIAM E. HULL. I want to ask the gentleman a question. I regard the gentleman very highly.

Mr. CRISP. I appreciate that.

Mr. WILLIAM E. HULL. And I am asking for information.

Mr. CRISP. I could not be heckled, because I am fairly familiar with the subject.

Mr. WILLIAM E. HULL. Suppose I introduce a bill for a certain river and it is referred to the Rivers and Harbors Committee. It is in printed form and has a number, and I go around and get 100 signers to a petition to bring that bill out; would that bill be brought out in accordance with this rule?

Mr. CRISP. This rule applies only to public bills and resolutions. It will not apply to a private bill. If the gentleman's bill is a public bill, then I think frankly if there were 100 signers to the petition, and the bill had been before the committee for 30 days, and the committee had not reported it, I think the bill could be called up on the second and fourth Monday, and if a majority of the House—and when I say that I mean a majority of those present and voting, a quorum being present—the committee would be discharged; but it is unthinkable that it would do a thing of that kind. You could not get 100 signatures to a petition for a bill of that character.

Let me go to the next provision, and it is a provision with teeth in it. It is a provision that works, it is a provision by which if you want to have control of your deliberations, you may have it. I wrote the old historic rule that I have just described in the Sixty-eighth Congress, and under that rule the House discharged the Committee on Interstate and Foreign Commerce from the further consideration of the Howell-Barkley bill. We brought it up in the House. There was a filibuster. The bill was considered on several first and third Mondays, and the filibuster continued sometimes away late into the night. But a man ought to learn something, and I learned something from that, and I am trying to profit by it. The rule that I have now has been written in the light of that filibuster under the old rule. The rule I have now will do the work and there will not be any filibuster, if the rule be adopted. What does that rule provide? The new rule has another provision in it for discharge, which provides that you can discharge the Committee on Rules from the further consideration of any

resolution pending before the Rules Committee, providing for an order of business of the House, or for the consideration of a bill reported by a committee not privileged and on the calendar which that committee will not take up; or a rule providing for the discharge of a committee from a bill that the committee has had more than 30 days and will not act upon, and provide for its immediate consideration.

Now, that part of the rule is to operate differently from the other. As I have told you, in the other case when the committee is discharged, then the question is whether the House wants to consider it or not, or whether they will defer it. But I am not so guileless as I once was, so in this rule there is a provision that when the House discharges the Committee on Rules from any resolution providing an order of business or for the consideration of a bill that they have had for seven days, the House shall immediately vote whether it will adopt that special rule, or that special order, and the Speaker can not entertain any dilatory motion or any motion except one motion to adjourn. The House is brought to voting whether they will adopt that special rule, and if it is adopted it has all the force, the vitality, the effect that it would have if my lovable and really good friend, the gentleman from New York, were to rise and present a rule from the Committee on Rules, and the House adopted it. When the gentleman does that, then the House proceeds to consider the bill under the terms of the rule, and that rule cuts off filibuster, dilatory motions, limits debate, and provides how the House shall consider it, and the House considers it and passes it. If under this rule the Committee on Rules is discharged from the consideration of one of these rules, the House must vote. If the House adopts it, then the House proceeds immediately to consider the bill under the terms of that special rule, and I would like to see them filibuster on that.

Let me give you an illustration of how it will work. My good friend from Tennessee asked if there was any way you could deal with conferees, and I replied "Yes." Take as an illustration the Muscle Shoals situation. Several times we have thought we had a conference agreement and that the House was going to have a vote, but, lo and behold, it vanishes in smoke and you can not get action to-day from the conferees. They will not report either agreement or disagreement, and there is no way that this House, even if three-fourths of the Members desire it, can get it done unless the triumvirate, and I say it with all respect, the Speaker, the majority leader, and the Rules Committee is willing to bring in a rule dealing with it. You can not move. You are impotent. Three-fourths of you may want to do it, and you can not unless those distinguished gentlemen and the Rules Committee will bring in a rule. You are helpless. If you will adopt this rule you are not helpless. You can deal with it. How? I would simply introduce a resolution to this effect:

Resolved, That immediately upon the adoption of this resolution the House conferees on Senate Joint Resolution 49, entitled "Joint resolution to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals in the State of Alabama, for the purposes, appointed to represent the House in conference with the Senate on the disagreement between the House and Senate on said Senate Joint Resolution 49 be, and they are hereby, discharged from further service.

[Applause.]

The Speaker is hereby directed to immediately appoint different conferees to represent the House in the conference with the Senate on said Senate Joint Resolution 49.

I introduce that. It goes to the Rules Committee. It remains there seven days. I file a motion to discharge the Committee on Rules from the consideration of this resolution. One hundred Members sign it. On the second and fourth Mondays I call it up, and then if a majority of those voting vote in the affirmative in the House, a quorum being present, the committee is discharged from further consideration of this rule. Then immediately the House votes, and if the House, by a majority of those voting, a quorum being present, adopts this rule, the conferees are discharged, and the Speaker is directed to appoint different conferees.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. CRISP. I yield.

Mr. BANKHEAD. Suppose that within the seven days allowed for action by the Rules Committee a majority of that committee reject the rule or table it or take adverse action upon it; then what would be the situation?

Mr. CRISP. Well, that would present a complication. I am frank to say I had not figured out that contingency. No; there is no trouble. If they reject it, it is still before the committee, just as if nothing was done. If they report it favorably and do not call it up, that would be where my trouble might come.

Mr. BANKHEAD. Then under the rule proposed by the gentleman, whether the committee acted favorably upon the resolution within seven days or rejected it or took adverse action upon it, it would still be within the power of the House?

Mr. CRISP. Unless they reported it to the House.

Mr. BANKHEAD. That is unless they made a favorable report upon it?

Mr. CRISP. Well; I am not clear about that. You understand I am frank. I have never tried to deceive this House about anything.

Mr. BANKHEAD. As a present Member of the Committee on Rules, the practical solution of the problem appealed to me, and it occurred to me what would be the result.

Mr. CRISP. Well I had not thought about that. I would have to think over that. If the Committee on Rules reported on it favorably and the chairman would not call it up—

Mr. LA GUARDIA. Or adversely?

Mr. CRISP. Or adversely, there would be the trouble.

Let me give another illustration. Suppose the committee has reported a bill that a majority of the House is interested in and it is on the calendar and it is not privileged, and the leaders of the House, those who control the situation, will not allow it to come up, you are helpless. You can not escape that. For instance, take the Couzens resolution which was considered in the last Congress, to prohibit the Interstate Commerce Commission from consolidating railroads. Many of the Members of this House were intensely interested in that. They could not get it up.

If you had this rule you could get it up. How? I would introduce this resolution:

Resolved, That immediately upon the adoption of this resolution and daily thereafter, Calendar Wednesdays excepted, immediately after the reading of the Journal, the House shall proceed to a consideration of Senate Joint Resolution 161 entitled "Joint resolution to suspend the authority of the Interstate Commerce Commission to approve consolidations or unifications of railway properties"; that there shall be eight hours' debate to be equally divided between those favoring and those opposing the resolution, during which time the resolution shall be open for amendment under the general rules of the House; that, at the expiration of said eight hours, the previous question is hereby ordered on all pending amendments and the bill to final passage; that the Speaker shall not entertain any dilatory or other intervening motions during the consideration of the bill except two motions to adjourn—

I have put in two because eight hours might take it over to the second day, and I give the House an opportunity to adjourn.

and thereafter no other motion shall be submitted to the House except to vote on pending amendments and said resolution to its final passage.

After seven days, if the committee does not act on that resolution, a motion to discharge would lie against it and the same procedure would be followed.

Then, say, there is a bill before the committee and the committee will not report it. How would I function? I would introduce a resolution similar to this, and I am now referring to the bill introduced by the gentleman from Texas, the minority leader, Mr. GARNER, dealing with the adjusted-service certificates:

Resolved, That immediately upon the adoption of this resolution, the Committee on Ways and Means is hereby discharged from further consideration of H. R. 15589, entitled "A bill to provide for the payment to veterans of the cash-surrender value of their adjusted-service certificates," and the House shall immediately resolve itself into the Committee of the Whole House on

the state of the Union for the immediate consideration of said bill. There shall be eight hours' debate, to be equally divided between those favoring and those opposing the bill. After the expiration of said general debate, the bill shall be read for amendment under the 5-minute rule. When read through for amendment, the Committee of the Whole House on the state of the Union shall immediately rise and report the bill back to the House, with or without amendment, as the case may be, whereupon the previous question is ordered on all pending amendments, if any, and the bill to its final passage. During the consideration of this bill, the Speaker shall not entertain any dilatory motions or any other intervening motions except two motions to adjourn, until the bill is finally disposed of. This order shall be a continuing order, and the House shall proceed to the consideration of the bill daily, calendar Wednesdays excepted, until it is finally acted upon.

The gentleman from Connecticut, the majority leader, will note that under those orders they do not go over to the next discharge day. They are continuing orders and they operate day by day until disposed of except only on Calendar Wednesdays.

When I introduce this resolution, if the Rules Committee does not act within seven days, I lodge a motion to discharge it, signed by 100, and I go through the whole procedure which I have before described and not necessary to repeat.

Now, gentlemen, the effect of this rule will be to give the Members of this House an opportunity to face public issues. You need not deceive yourselves. If 100 Members of this House desire that there should be a rule to put the Members on record as to how they stand on public questions they can do it, and I for one favor that policy. [Applause.] I think a man elected to Congress should have the courage to stand up and face public issues and let his people and the public know how he stands on vital public questions. [Applause.] This rule will do it. If you are timorous or if you are a dodger or if you do not want the public to know your views on public questions, you are against this rule; but if you are willing to face issues, if you are willing to have your constituents know your views, and if you want the House of Representatives to have a democratic form of government and to manage its own affairs—and I do not use the word "democratic" in a party sense—and if you want to permit the majority of its Members to function and consider public questions then you will be in favor of this rule; adopt this rule and you will have it.

Some say they are opposed to legislating by petition. This does not legislate by petition. One hundred is simply the machinery to initiate these motions, so that a majority of those in the House, a quorum being present, can function.

Now, gentlemen, do not deceive yourselves. If this rule is adopted the Rules Committee is shorn of its power. The colossal power of the Rules Committee is stripped from it. The great triumvirate who have ruled and controlled this House will no longer have that power, provided 100 Members would sign one of these petitions. Under this rule the Rules Committee will become the instrumentality of this House; it will become the servant of the House instead of its master. [Applause.] That, in substance, is the rule.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. CRISP. I will.

Mr. LA GUARDIA. Would it embarrass the gentleman if I asked him two practical questions?

Mr. CRISP. Nothing will embarrass me, although I may not be able to answer the gentleman's questions.

Mr. LA GUARDIA. The gentleman knows I am interested in a liberalization of the rules. As a practical matter, does the gentleman believe he can get his entire side of the House to vote for those rules?

Mr. CRISP. I fear not, but I will say this in answer to the gentleman, of course, I am not authorized to speak for anyone else and I consulted no one when I introduced the rule. I had shown it to no one except my stenographer and secretary who wrote it at my dictation. Not a Member of the House had seen it. I fear not, but I do believe, I will say to the gentleman from New York, that a majority of the next Congress, no matter which party organizes it, will be progressive, will favor liberalizing the rules of the House and will favor fixing the rules so that a majority can do business; and I believe in the next House, taking both sides

together, a majority will adopt this rule or one similar to it in substance.

Mr. LAGUARDIA. That is what I hope, and may I ask the gentleman this further question: In the event his side of the House should organize the House, would the leadership of that side sponsor these rules along with some of the gentlemen on this side?

Mr. CRISP. I will answer the gentleman frankly. I do not arrogate to myself any leadership. I speak only for myself. I favor this rule whether my party is in power or the other party is in power. [Applause.] I believe in a democratic form of government and that a majority has the right to express its views and work its will on legislation, and if the legislation does not meet with the approval of a majority of the people of the United States, at the next election they can retire us from office. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. CRISP. I will.

Mr. SABATH. Judging the future by the past, has not the gentlemen the right to believe that the Democratic Party, with hardly any exception, will support any rule that will liberalize the rules of the House and give the membership rights of which it has been deprived under the present rules?

Mr. CRISP. I think an overwhelming majority will. I fear some may not, but in my discussion, gentlemen, I have endeavored not to inject party politics and I have tried, frankly, sincerely, and earnestly, to present what this rule is intended to do without injecting any personal, or political bitterness.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CRISP. I will.

Mr. CHINDBLOM. I am glad my good friend made that last remark, because the remarks of my colleague from Illinois spoke of the action of the present minority party in the past. I happen to have before me the discharge rule of the Sixty-fifth Congress and I am sure not even my friend from Georgia will claim there is much liberality in that.

Mr. CRISP. I think not, and that is why I wrote the one in the Sixty-eighth Congress that tried to liberalize it.

Mr. CHINDBLOM. But that was after the gentleman's party was out of power. [Laughter.]

Mr. CRISP. The position I take now is the one I have taken in every Congress when this question has come up, and I have said in every speech that I favor liberalizing the rules, whether in the majority or in the minority, and if the gentleman will go back and look at the RECORD, where this question has been discussed for the last 6 or 8 years, he will find that that has been my position.

Mr. SNELL rose.

Mr. CRISP. Does my friend, the gentleman from New York, desire to ask me a question?

Mr. SNELL. I was going to ask practically the same question that the gentleman from Illinois [Mr. CHINDBLOM] asked. There is one other question I would like to ask the gentleman.

Mr. CRISP. I am flattered.

Mr. SNELL. I think, as the gentleman has said, if we adopt this rule there would be no reason whatever for having a Rules Committee of the House.

Mr. CRISP. Except to use it as a vehicle through which the House may work its will. You have to have some vehicle to operate through and I think the Rules Committee would be the proper one.

Mr. SNELL. Could you not just as well put the petition up here on the door?

Mr. CRISP. Yes; but that is inanimate and the House would be glad to see the chairman of the Rules Committee and the other members of the committee around here. You know they are going sometimes voluntarily to report rules themselves and we will have the advantage of their wisdom and the pleasure of hearing their voices when reporting these rules.

Mr. SNELL. Under the rule the gentleman is proposing that would be very seldom, and I want to say one thing more. The gentleman has been very much in favor of such a rule in the last six or eight years, but I do not find

any of his speeches favored a liberalization of the rules as long as his own party was in power.

Mr. CRISP. When we were in power I was so timid and modest I took a back seat.

Mr. SNELL. I accept the gentleman's apology.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. Answering the gentleman from New York [Mr. SNELL] and the gentleman from Illinois [Mr. CHINDBLOM], the gentleman is proposing this liberalization of the rules right on the very eve of his party reassuming control of and power in the House.

Mr. CRISP. I hope the gentleman is prophetic.

Mr. KETCHAM. Will the gentleman yield for a question?

Mr. CRISP. I will.

Mr. KETCHAM. Has the gentleman given consideration to the possibilities that might develop in this kind of situation? If we had 100 men in the House who were particularly aggressive along a certain line and who would possibly originate, each one of them, 100 bills, slightly different but all having one common purpose, has the gentleman given any consideration to the power that the 100 Members would exercise in compelling the House continuously, day after day, to consider propositions of interest to them?

Mr. CRISP. I will answer my friend very frankly. To start with, I have too high a respect for the membership of the House to believe they would lend themselves or become a party to that kind of procedure; but, anyhow, even if I am in error and we did have that kind of membership, they could not seriously interfere with the deliberations of the House because there are only two days in a month when the rules operate, and even during a long session of Congress, of 7 months, there would be only 14 days where they could do that.

Mr. KETCHAM. My friend misses the point. I thought I caught the statement in explanation of one of his resolutions, that this action is taken continuously, day after day, and that the House must give consideration to the matters brought before the House in this way.

Mr. CRISP. That is where a perfected motion has been acted upon and the House has discharged the Committee on Rules from the consideration of a rule and the House is directed to consider the bill, and in that event the bill will be disposed of in 6 or 8 or 10 hours, and then it is behind you.

Mr. KETCHAM. That is to say, the action I had in mind could not be taken unless a majority of the House had registered themselves as in favor of it.

Mr. CRISP. A majority of those voting, a quorum being present, because I do not seek to do what your present motion to instruct does. The present motion to instruct, to start with, requires that before it can operate you have to have 218 Members to sign it. That is a majority of the entire House. The next step is to have 218, seconded by tellers—

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that I may yield the gentleman five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CRISP. Then after presenting the rule and having a vote of 218 by tellers, you can not get a roll call. The rule is specific. You have to have 218 go through the tellers in the affirmative. Then there is another vote where you have to have a majority, and it has 15 days to report. That is the old rule.

Mr. SNELL. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. SNELL. You could abolish the second and fourth Mondays just as easy as any other rule of the House. That would be in order.

Mr. CRISP. I did not catch the purport of the gentleman's question.

Mr. SNELL. You could change the rule so that this business would be in order at any time.

Mr. CRISP. The House by a majority of its Members can, under the Constitution, adopt any rule it sees fit, and if it wanted to abolish or change that it has the inherent power to do so. If the House was foolish enough to do it it has the power, but it would require a majority of those voting, a quorum present, to do so.

Mr. ALLGOOD. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. ALLGOOD. We appropriate millions of dollars without Members going on record. Has the gentleman thought anything about amending the rules so that in voting on appropriation bills Members shall go on record?

Mr. CRISP. I do not think that is necessary. My own State constitution requires a record vote where we pass appropriations. There must be an affirmative vote of a majority of the whole House. I do not think that is necessary.

Mr. GARNER. The whole philosophy of the gentleman's rule is to initiate legislation by a vote of 100?

Mr. CRISP. Not to initiate it, but to make it possible for the House to initiate it.

Mr. GARNER. But it is up to the House by a majority to consider the legislation?

Mr. CRISP. Yes. If a majority of the House does not want to consider it, the motion is killed and they can not file another motion during the session.

Mr. GARNER. So that 100 men could not filibuster against the business of the House?

Mr. CRISP. No. I have purposely used as an illustration as to the practical operation of the discharge rule and of the calling of a committee to consider legislation when the chairman will not call the committee together the subject of paying the adjusted-service certificates or making some liberal cash settlement of them. I am not a radical and am often charged with being too conservative. From their nonaction I am constrained to believe that the President of the United States, the leaders of this House, and other responsible administrative leaders do not realize the true economic condition of the country and the suffering and distress of our people.

To-day millions of honest, industrious, law-abiding citizens are seeking employment and can find none. Their families are in want, inadequately clothed and underfed, and thus the easy prey of disease. Such a condition is intolerable and bodes evil for the Nation. Unless remedied, no one can foretell the consequences. The American people are long suffering and inarticulate, but when the inarticulate voice of the unorganized masses of the people is aroused it will be heard in thunderous tones throughout the Nation. When a man is hungry, when his wife and children are suffering for food and clothing, conservatism and reason are swept to the wind. Men become desperate. The captains of industry and the owners of predatory wealth, for their own selfish ends if not from humanitarian motives, should take steps to relieve the situation. If it is not corrected, political revolution may be the result and very radical laws be enacted. In my judgment, a government, rich and powerful, that does not provide an opportunity for its industrious, law-abiding citizens to earn a living for themselves and families is a failure. For a number of years prior to the stock debacle in the fall of 1929, business was unduly stimulated and inflated and stock gambling and speculation ran wild. Then the bubble burst, the pendulum swung back too far the other way, and to-day business is prostrate and needs some stimulation.

To my mind, the most conservative and practical way to furnish this stimulation is by making some liberal cash advances on the adjusted-service certificates. In this way over \$2,000,000,000 would be equitably distributed over the entire Nation, every village and hamlet benefiting. The ex-service men would spend at least part of the money for clothes, food, and other necessities of life. Can there be any other period in his life when it will do him as much good? The merchants, the banks, the lawyers, the laboring people, and every other class of citizens would receive benefit from these expenditures. The price of agricultural products would advance, and, in my judgment, nothing would contribute more to the restoration of prosperity. Such expenditures would

enable many farmers, ex-service men, who can not finance themselves to operate and thus make a living for themselves and families.

The administration's relief measures passed by this Congress have been totally inadequate to meet the situation. They are confined to certain classes and limited areas, and the great body of distressed people are not helped. Unless some general relief is granted, if conditions do not improve, the inevitable result will be that the Government will have to pay dole to the needy citizens. Oh, how preferable will it be to stimulate business, to permit the people to earn a living for themselves! I appeal to the leaders of the House to give serious thought to this and to permit the House to consider legislation along the line suggested.

In the present Congress 118 Members signed the motion filed by Mr. PATMAN to instruct the Ways and Means Committee to report his bill. Under the present rules it accomplished nothing. If the rule I propose was the rule of this House we could and would legislate on settling the adjusted-service certificates, thereby rendering the Nation a great service by restoring economic prosperity without increasing tax burdens of the people but on the contrary lightening them.

The Government of the United States can to-day probably sell its bonds and borrow money at 2 per cent. It is paying on the adjusted-service certificates 4 per cent. If these adjusted-service certificates are now settled in cash the Government can save many hundreds of millions of dollars and the ex-service man and all of our citizens be inestimably benefited. If the Government settles with the holders of the insurance certificates upon terms agreeable to them, it will not be a gratuity, it will not be an additional burden to the taxpayers, but it will simply be the Government's paying before maturity its own obligations, which it is in honor bound to pay at maturity, and it will be a money-saving transaction for the United States Treasury. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and members of the committee, the great injustice done by the Federal Government in the collection of tobacco taxes should be speedily remedied. No other article bears such a high Federal tax. I have called this injustice to the attention of the Congress and the country several times. In May, 1929, I made an address on the subject over the radio which was inserted in the RECORD.

Again on March 12, 1930, I addressed the House on the subject and introduced a bill. I have introduced two bills looking to relief, the first which reads as follows:

H. R. 10622

A bill to provide for the payment to States of amounts equal to a part of the sums collected as internal-revenue taxes on tobacco in order to foster education and road construction, and for other purposes

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, within the limits of appropriations made therefor, as soon as practicable after the end of each fiscal year, to each State an amount equal to one-half of the sums collected during such fiscal year from sources within such State on account of internal-revenue taxes upon cigars, cigarettes, tobacco, and snuff imposed under the provisions of sections 400 and 401 of the revenue act of 1926, as amended (U. S. C., title 26, secs. 761, 783, 832, 845).

Sec. 2. Such payment shall be made to each State only after certification by the governor thereof to the Secretary of the Treasury and a finding by the Secretary that provision has been made by law of the State for the expenditure of amounts received under the provisions of this act solely for the construction, support, maintenance and improvement of schools and roads. In case any of the amounts paid to any State under the provisions of this act is used for other than the construction, support, maintenance, or improvement of schools or roads, there shall be deducted from the amounts payable to such State under the provisions of this act the amount which has been so used.

The second one was introduced by me on January 14, 1931, and is as follows:

H. R. 16157

A bill to amend the revenue act of 1926 by reducing the tax on cigars, cigarettes, and tobacco

Be it enacted, etc., That subdivision (a) of section 400 of the revenue act of 1926, as amended (U. S. C., title 26, sec. 832; U. S. C., Supp. III, title 26, sec. 832), is amended to read as follows:

"Sec. 400. (a) Upon cigars and cigarettes manufactured in or imported into the United States which are sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law, the following taxes, to be paid by the manufacturer or importer thereof—

"On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 60 cents per thousand;

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, \$1.60 per thousand;

"If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, \$2.40 per thousand;

"If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, \$4 per thousand;

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, \$8.40 per thousand;

"If manufactured or imported to retail at more than 20 cents each, \$10.80 per thousand;

"On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$2.40 per thousand;

"Weighing more than 3 pounds per thousand, \$5.76 per thousand."

Sec. 2. Subdivision (a) of section 401 of the revenue act of 1926, as amended (U. S. C., title 26, sec. 761; U. S. C., Supp. III, title 26, sec. 761), relating to the internal-revenue tax on tobacco and snuff, is amended by striking out "18 cents per pound" and inserting in lieu thereof "14 cents per pound."

Sec. 3. This act shall take effect on the expiration of 30 days after its enactment.

The second bill introduced by me has the practical effect of reducing the tax on cigars, cigarettes, and tobacco 20 per cent.

The revenue acts of 1921, 1924, 1926, and 1928 have successively reduced the internal-revenue taxes, and practically eliminated all war-time taxes, including sales, nuisance, or luxury taxes, taxes on transportation, telephone, telegraph, automobiles and parts, and miscellaneous occupational taxes. The act of 1926 cut the tax on cigars practically in half. All other tobacco products, namely, chewing and smoking tobacco and cigarettes, are taxed the same now as they were during the war. Small cigarettes, weighing not more than 3 pounds per thousand, are paying a tax of \$3 per thousand, which tax has been collected by the Federal Government since February 26, 1919. The tax on a package of 20 cigarettes amounts to 6 cents.

Before the days of national prohibition liquor was taxed by the Government along with tobacco.

Our Government has not always collected a direct tax. These direct taxes have been brought about in most cases as a result of the necessity of raising war taxes. The first direct tax provided by the Government was for the post-Revolutionary period from 1791 to 1802. These taxes were on distilled spirits, refined sugar, and snuff, and other direct taxes; but by the act of April 6, 1802, were abolished.

The War of 1812 again made it necessary to have recourse to internal taxes. These taxes were from the period of 1813 to 1817, and were on distilled spirits and other things, but no tobacco tax for that period.

No internal taxes of any character were levied by the United States from 1817 until the outbreak of the Civil War, and these were provided for by acts of August 5, 1861, June 7, 1862, and the act of July 1, 1862, was the basis of the present internal-revenue system. This provided for taxation of incomes, estates, public utilities, occupations, liquors, tobacco, and other things.

Then came the Spanish-American War period, and June 13, 1898, the tax was increased on fermented liquors, tobacco products, legacies, and many other things. And by the act of March 2, 1901, most of the Spanish-American War taxes were abolished, and the tax on tobacco products was greatly reduced.

Then came the World War period, and taxes begun to be raised for carrying on the Government, and we find the emergency act of 1914, and the omnibus revenue act of 1916, and in this last bill it was provided that new and higher rates should be imposed upon manufacturers of cigars, tobacco, and cigarettes from and after January 1, 1917.

And from 1917 tobacco products have received no reduction whatsoever save in the instance of the taxes on cigars, which were reduced by the revenue act of 1926.

There was collected on tobacco products alone throughout the United States for the fiscal year ending 1930 the enormous sum of \$450,339,060.50, and the State of North Carolina, which in part I have the honor to represent, paid the enormous sum of \$256,729,938.33 to the Federal Government for tobacco taxes alone. The payment of this amount put North Carolina as the second largest Federal taxpayer in the Union, next to New York, ahead of Pennsylvania, Illinois, Michigan, Ohio, California, New Jersey, Massachusetts, Virginia, Missouri, and Kentucky, yet North Carolina was only the eleventh State in wealth of the 12 States named, and the tenth in wealth of manufactured products of said States and the ninth in population of said States.

To give you some idea of how burdensome this tax is to the people of my State, the following are the amounts collected for tobacco taxes by the Government from North Carolina for the years 1920 to 1930, inclusive:

1920	\$108,457,156.85
1921	79,573,088.76
1922	93,189,086.02
1923	118,370,325.84
1924	136,892,474.98
1925	147,221,887.03
1926	172,503,186.60
1927	185,941,504.24
1928	204,473,504.55
1929	233,915,029.11
1930	256,729,938.33
Total	1,737,267,182.31

In the 11 years since the war North Carolina has paid to the Federal Government from tobacco taxes alone \$1,737,267,182.31, approximating 28 per cent of the total wealth of our State.

Other States are being drained by these unfair taxes collected by the Government. The membership of the Congress can find out from the figures how their States are affected by reference to the annual report of the Commissioner of Internal Revenue for the fiscal year ending June 30, 1930, from pages 60 to 65, inclusive. Members will be surprised to know how their respective States are being mulcted in peace times by these taxes on tobacco products levied originally as war measures.

Surely when there is so much distress in the various States Congress can well afford to give relief.

The first bill which I introduced provides for a reduction of 50 per cent of these taxes to be returned to the States to be expended on roads and schools.

The second bill which I introduced provides for a flat reduction of 20 per cent on tobacco taxes.

The first bill which I introduced provided that there should be a refund to the various States affected and was pressed with the idea of not hurting anybody; in other words, to give relief to the manufacturers as well as to the people and producers. It has been generally conceded that the tax is out of proportion. I have conferred with the representatives of the Farm Board, and they agree with me that the tax should be reduced. There has been some question as to whether or not the Government would undertake the collection of this tax and refund it to the States in accordance with my original bill.

However, there is precedent for this idea, and in preparing this bill I worked it out along the lines that the refund should be applied to schools and roads only in the various States concerned, and this could well be done without any violation of the Constitution.

The legislatures of many States are now in session. The Legislature of North Carolina has recently met and that body had memorialized Congress to give a rebate of at least 20 per cent to the end that our people, who are now in a distressed condition on account of high taxes, can be given some relief.

Whether this relief can be secured by Congress before the legislature adjourns is very doubtful. I am confident that

eventually Congress will give this just reduction. Whether or not the legislature should go ahead and apply the taxes on the manufacturers of tobacco, and thereby relieve the taxes on land and other property in the various States at the present time, and then rely on the Congress to give relief to the manufacturers is a question which will have to be determined by the various legislatures. The tax is all out of proportion and can only be justified on the theory of a war-time measure.

If the Congress desires to give substantial relief to be handed on to the farmers who are so distressed in the various sections affected, let them reduce this tax at least 20 per cent. The 50 per cent reduction would not be out of place. It was my idea when I introduced my original bill that, if the membership of the House felt that this was too great a reduction, I would be willing to agree to an amount of less than 50 per cent.

I strongly urge the membership of the House to look into this matter carefully, because I know that many Members will find a way to help their various constituents; and if the Members of Congress from the States affected will get together, there will be no question but that we can get this tax reduced. Take, for instance, in North Carolina a 20 per cent reduction on manufactured tobacco products would save to our people more than \$50,000,000 annually, and would open to the legislature this source of taxation to apply to State needs, such as schools and roads, and this would solve our problem in North Carolina. To show you how unfair this tax is to North Carolina, there has been a growing increase of the amounts collected by the Federal Government each year in North Carolina as will be shown by the table heretofore read to you. We paid \$22,814,909.22 more in 1930 than in 1929.

I earnestly urge the Congress to grant to the tobacco producers and manufacturers this just and equitable relief. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and gentlemen of the committee, to-day is the eleventh anniversary of the adoption of the eighteenth amendment. My colleague from Michigan [Mr. HUDSON] is at present in another place as one of the speakers in observing this anniversary. I ask unanimous consent to extend my remarks by the inclusion of the remarks made by my colleague in connection with that meeting.

The CHAIRMAN. Is there objection?

Mr. LA GUARDIA. Mr. Chairman, reserving the right to object, has the gentleman from Michigan read his colleague's speech?

Mr. KETCHAM. Yes.

Mr. LA GUARDIA. Is it a fair and accurate report of what prohibition has accomplished in the past 11 years?

Mr. KETCHAM. I have read the speech, and I not only have great confidence in what my colleague says, but what he says meets with my approval.

Mr. LA GUARDIA. Then I am sure that it is quite contrary to the actual conditions, but I shall not object, nevertheless.

Mr. KETCHAM. Mr. Chairman, the following are extracts from an address delivered by my colleague [Mr. HUDSON] at a luncheon held in the Hotel Roosevelt, Washington, D. C., January 16, 1931, on the eleventh anniversary of the adoption of the eighteenth amendment:

Prof. Zechariah Chafee, jr., in the January Forum, complains against the eighteenth amendment being placed in the Constitution on the ground that the matter of prohibiting the liquor traffic is but an experiment and therefore should not have been placed in the Constitution, because "it incapacitates the American people from an effective search in reference to some better method of handling the liquor traffic."

The professor errs in his concept of prohibition. It is not an experiment but the final solution after every other method of control and modified prohibition has proven a failure. Prohibition is not an experiment; it marks the end of all experiments in the control of the liquor traffic. It embodies the wisdom of hundreds of years in which every conceivable way of solving the liquor problem short of prohibition had been tried—high license, low license, local option, State option, Government control, Govern-

ment dispensary. Under all of which the liquor traffic continued to thrive and the business in volume mounted higher and higher. It would not be restricted; it would not be controlled; it would not mend its ways; and prohibition was a necessity to outlaw it. State prohibition availed little; hence the final solution of national prohibition. Through all these years the traffic increasingly proved it was inherently evil, inherently antisocial, inherently unamenable to legal restraint; in other words, inherently illegitimate; and only one thing was left to do and that was to turn it out of doors.

The conscience of the Nation increasingly rebelled in sharing in the profits which accrued from the traffic. It did not matter whether the profit was small, through low license, or large, through high license. The same principle was involved. Public opinion became acutely aware of the immorality to the Nation in operating city, State, or National Government by revenue taken from the liquor traffic, which in turn represented blood money sucked from the debauched victims, their wives and children. There was only one position to take by the aroused conscience of the Nation. That was partnership between the body politic and the inherent evil foes must cease.

What could follow? Allow the traffic to operate without restraint, either in the form of law or taxes? Most assuredly not. There was only one thing left, and that was to constructively place it outside the law; to declare it had no standing in the law, and to turn the whole body of the law against it. This the people of the United States did when they adopted the eighteenth amendment. There was no other alternative then; there is none to-day.

Prohibition went into the Constitution because the period of trial and experiment had ended in utter failure. It came not because some so-called drys wished it but because there had to come an end to experimentation. Other than prohibition there is no plan of liquor control which does not involve the fundamental immorality of partnership by the Government in the iniquity of the traffic. The social conscience of the American people is crude enough, but it is too fine to ever tolerate that partnership again. Prohibition is in the Constitution not as a governmental experiment but as a governmental policy that will not be changed.

Therefore we say to-day that prohibition is not on trial. It is democracy itself that is on trial. Shall democracy confess that it can not enforce its own laws? We believe that such a question is of such gravity that it can only be considered with the most solemn reflection. Are we going to say to-day that the greed of the outlawed liquor traffic, backed up by a seditious wet press and an organized gangdom, can create a conspiracy against the fundamental law of the land, which conspiracy shall become so strong that democracy shall hold up its hands in passive submission? It is inconceivable, and such a condition will not come to pass.

I would like on this anniversary day of the adoption of the eighteenth amendment to call attention to some confusion that has been created in the mind of the American public in the use of certain names by the press of the country. Men are termed "bone-dry," "dry," "wet," "moist," "damp." Some are designated as "personally dry but politically wet," others "personally wet but politically dry." As far as the eighteenth amendment is concerned, there can be but two terms—one is either dry or he is wet.

We need to make the distinction between drinking and the traffic in liquor. The eighteenth amendment has nothing to do with the matter of drinking. It has everything to do with the matter of traffic in drinking. Long before we were talking about prohibition the Supreme Court of the United States ruled that the nature of the traffic in drink was of such character that it had no inherent right to exist, and could only exist by the license or sufferance of a civic community. Whatever the unit might be. When we view the matter in that light we recognize that the dry is not a moralist, he is an economist. In his thought and legislation he is dealing with an evil that is an economic evil, and as such he is proceeding against it. There may be other evils, there are other evils involved in the liquor traffic, but in relation to the eighteenth amendment it is the economic evil that is being treated by the abolition of the manufacture and traffic in liquor.

The amendment, therefore, operates in the same field in which all law operates, whether it be tariff, immigration, public utility, or tax measures. That is the economic field. In the above matter the test is, What is for the common good? So in the question of the prohibition amendment, How shall the common good be best served? The only difference in the discussion of the prohibition measure and the other measures referred to is that in the case of the first you are dealing with an inherent evil, while in the case of the latter measure there is inherent good.

I want to repeat that the dry has nothing to do legislatively with the matter of drinking, but with the traffic in drink. There is not a word in the entire body of antiliquor legislation which forbids drinking. The Nation is to be congratulated that there was clear thinking on the part of its national legislators when the eighteenth amendment was adopted for they definitely refused to invade the area of personal liberty, and the courts have decided that they legislated well. The logic, of course, naturally would say the purchaser was a coconspirator with the seller, but the whole intent of the amendment was to stamp out from our economic system commerce in the traffic of intoxicating liquors.

With this view the personal-liberty argument can have no standing before the bar, and the fact that the opposition to the eighteenth amendment admits the evil of the former centers of the liquor traffic—the saloons—bears out our contention. There is no question about making it a crime to drink; that is not

the issue. The one thing that all drys are agreed on is that the organized business of making and selling intoxicating liquor for beverage purposes is evil, and that the evil which it produces in the social body is so great that there must be refusal to give it the standing in the community which the law gives to every legitimate business.

It is a question of wisely handling an inherent evil so that the people may be protected against the incidents of waste, poverty, immorality, inefficiency, and social corruption, for which its presence in the economic life of the people is responsible. One turns to the so-called control of the traffic, whatever that control may mean, and he finds that under such control the traffic has not been retarded but has increased and flourished; therefore he says there is but one thing to do—that that is to prohibit it, to make it an outlaw, and then turn all the powers of law against it.

A dry knows a partial barrier against the liquor traffic ends in being no barrier at all. He knows that a proposition to legalize a certain form of intoxicating liquor means the legalizing of all liquor in the end. He knows a partial barrier is a breakdown of an absolute barrier; and in taking such a position he would reclassify himself into the column of a wet, regardless of what his personal habits might be.

On this anniversary day we are to rejoice in the position of the Chief Executive of the Nation in the appointments he has made of the officials who shall handle the enforcement of this governmental policy and that he has taken his position as one who believes in the economic value of the law and therefore his position is unassailable. The great issue to-day which the Chief Executive, to our mind, clearly sees is that we are in the battle of democracy versus the liquor traffic.

Mr. OLIVER of Alabama. Mr. Chairman, I now yield to the gentleman from Massachusetts [Mr. GRANFIELD].

Mr. GRANFIELD. Mr. Chairman and colleagues, I arise to-day in opposition to the additional or increased appropriation of \$2,856,211, stipulated in behalf of the Bureau of Prohibition and contained in the Department of Justice appropriation bill, H. R. 16110, for the fiscal year of 1932.

Each year for the past 11 years the Bureau of Prohibition has come to this Congress for appropriations, and we find that the records show that our Government in its efforts to enforce this law has needed additional and increased appropriations; and if I may be permitted, I wish to incorporate in my statement to you the list of appropriations provided by our Government for prohibition enforcement during the fiscal years from 1920 to 1931, which are as follows: 1920, \$3,750,000; 1921, \$5,500,000; 1922, \$7,500,000; 1923, \$9,250,000; 1924, \$9,000,000; 1925, \$11,341,770; 1926, \$11,000,000; 1927, \$13,322,445; 1928, \$13,320,405; 1929, \$13,737,804; 1930, \$15,000,000; 1931, \$15,000,000.

These figures are a sad commentary on an expensive experiment. Each year for the past 11 years the Bureau of Prohibition through its dry chief, has been receiving increased appropriations, and this year it has returned with its usual request. When will all this stop? When will the Congress of the United States begin to give consideration to the will of the people of this Nation?

The appropriation requested under the terms of this bill will provide for an additional 500 agents, and from the sum of \$2,856,211, which is sought by the Bureau of Prohibition, \$1,140,000 is to be paid in salaries to 500 agents, 20 of whom have been allotted to the first district, which comprises the New England States.

In the light of statements made by General Andrews and Doctor Doran, that in order to effectively and efficiently enforce prohibition \$300,000,000 would be necessary, it appears to me that the increased appropriation of \$2,856,211 is a flagrant waste of money. It is time that the purse strings of our Government should be tightened. We should put a stop to the useless and wasteful spending of the public moneys.

Midnight of last night marked the eleventh year of the adoption of prohibition, and while in the minds of some people the eighteenth amendment to our Constitution is an "experiment noble in purpose," there are millions of people in our country who are convinced that the eighteenth amendment is a nightmare.

During my brief association with the Members of this House it has come to my attention on the floor of this Chamber that our Government, through its authorized and constituted agents, has deemed it necessary, in order to enforce this law, to resort first to the dissemination of prop-

aganda. The Bureau of Prohibition has found it necessary to engage speakers who have traveled throughout the length and the breadth of our Nation urging our people to support the eighteenth amendment and the Volstead Act. Further, published propaganda has been circulated in pamphlet form by the bureau throughout this Nation, containing misstatements of fact in an effort to coerce our people to respect this law. There is no question that the enactment of the eighteenth amendment and the Volstead Act into the laws of this country was a step in the wrong direction. No other laws on the books of the Nation require coercion by our Government to obtain the people's respect for them; the prohibition laws are the exception. Respect for law and order is born in the souls of all our citizens.

It has come to my attention on the floor of this Chamber that in order to enforce prohibition the legally constituted agents of our government have had to play the part of the criminal. My esteemed colleague from Maryland [Mr. LINTHICUM] revealed to the Members of this House that Government agents had opened a speak-easy in the city of Indianapolis, Ind., where liquor was bought and sold in order to encourage individuals into the commission of crime so that arrests might be made. Our Government paid the rent for this speak-easy, paid the agents who operated it, and provided the liquor that was bought and sold in this enterprise. In Elizabeth town, N. J., the agents of our Government maintained a still of great capacity for the purpose of manufacture and sale of liquor. In this incident the taxpayers of our Government unwittingly financed this nefarious enterprise. In New York, we understand that the Government established a bridge whist club which was operated by the Prohibition Bureau. The rent, the furniture, the liquor, and the agents were paid out of public funds. The distinguished gentleman from New York [Mr. LA GUARDIA] brought to the attention of this House that the Government operated a pool room in Norfolk, Va., where liquor was sold for the purpose of entrapment. He stated also that the Prohibition Bureau financed a corporation in New York known as Le Shone de Paris, and financed the corporation to get an alcohol permit, it purchased denatured alcohol, and unlawfully sold denatured alcohol to manufacturers for beverage purposes. This corporation was incorporated under the laws of the State of New York. These events are based upon facts supported by evidence which is in the office of the comptroller, where the vouchers used in the payment of these matters will be found by any citizen. However, this is not all; our Government has poisoned liquor; has entered into the business of homicide in order to enforce this unenforceable law. When I realize the extremes to which the agents of our Government have gone in order to enforce this law, and when I observe the conditions which exist in the very sight of the dome of the Capitol of this Nation, where every police officer is in fact a Federal officer, and where the Chief Magistrate of this Nation resides, I am convinced that the prohibition laws are unenforceable, and that the people of this Nation can not be brought to a state of mind to respect this law.

The conditions in the Capital City of this Nation are appalling. No matter what daily paper one may read in Washington he finds caption after caption depicting some form of liquor violation. Only yesterday I observed in the columns of the Washington Post that 1,104 one-half gallons of corn whisky were being transported by a bootlegger when he was arrested. If this law can not be enforced in the Capital of this Nation, with all the resources of the Government available, I contend it can not be enforced in any State, city, or town in the United States.

The enactment of prohibition into the laws of this country has been characterized as an "experiment noble in purpose." It was noble in purpose 11 years ago, but its nobility has long since disappeared. To-day it is an experiment nefarious in purpose. When our Government is forced to resort, in order to enforce the eighteenth amendment, to the entrapment of our citizens into the commission of crime, to the dissemination of propaganda to encourage respect for this law, and to the poisoning of commercial alcohol to cur-

tail its sale, it is time that the people of this Nation took a hand.

When the people of my Commonwealth ratified the eighteenth amendment in 1918 they believed back in those days that prohibition was an "experiment noble in purpose." The old Bay State through its constituted authority put its enforcement machinery to work at high speed in an effort to carry out this provision of our laws. In 1924, by referendum of our people, we adopted the Baby Volstead Act. We were hopeful that the "experiment noble in purpose" would be productive of the relief that the advocates of prohibition promised to us. We adopted the Baby Volstead Act with the sincere purpose of doing everything in our power to give this law a fair chance. Among the States of our Nation Massachusetts has ever been in the vanguard of progress. Her noble sons struck the first blow for liberty when they fired "the shot heard around the world." Massachusetts to-day is still the Massachusetts of old. She is cognizant of the abuses that have grown up under prohibition. In 1928, by a vote which was overwhelming in its proportions, the people of my Commonwealth instructed its State Senators to memorialize Congress to repeal the eighteenth amendment. This course was adopted after an experiment of eight years. Massachusetts is ever alert to the needs of her people and the people of this Nation.

Again on November 4, 1930, just a few months ago, at a general election, the voice of Massachusetts was heard throughout this Nation. By an overwhelming vote the citizens of our Commonwealth repealed the Baby Volstead Act. By this ultimatum Massachusetts gave notice to the President and to the Congress of the United States that prohibition is a scandalous failure and the eighteenth amendment should be repealed, and that our Federal Government should take such action as will relieve us of this unjust law. Massachusetts in that election did more; it sent to the Senate of the United States a very distinguished citizen in the person of Marcus A. Coolidge. He is committed to the repeal of the eighteenth amendment. The voters of my Commonwealth also elected as governor of the old Bay State a courageous and fearless advocate of the repeal of the eighteenth amendment, his excellency Joseph B. Ely, of Westfield. In his inaugural address he made his position very clear on this great issue when he said:

The eighteenth amendment to the Federal Constitution, the Volstead Act, and the so-called Baby Volstead Act were all enacted in the interest of temperance, sobriety, and public safety. It is the firm belief of the people of this Commonwealth, after years of experience with these measures, that they have not accomplished what was hoped and believed would be accomplished by their enactment. As a result, at the last election the Baby Volstead Act was repealed by referendum. Massachusetts has taken this step, not in the interest of temperance but as a measure of public safety, and as a temperance measure, believing that great harm has been done in many ways and in many directions by reason of the amendment and these laws. The mere repeal accomplished by the referendum should not be the last ultimate step of Massachusetts in this matter. The position of Massachusetts should be plainly stated by our legislature, to the point of asking a modification of the Volstead Act and the enactment of such legislation as will put the matter of intoxicating liquors on a reasonable, sane, and enforceable basis, in the interest of temperance and sobriety and the peace and good order of the Commonwealth and the country. Massachusetts did not go on record with the referendum idly or as a gesture, but registered the firm belief of our people. It is our business to take such action as we may to enforce what we believe to be our reasonable demand.

On the same ticket with these gentlemen I was reelected to the Congress of the United States. I have accepted the mandate of my people and I oppose the additional increase requested in the appropriation by the Prohibition Bureau. To support this additional appropriation would be a dereliction of my plain duty to my people.

Mr. SHREVE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAMSEYER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for

the Departments of Commerce and Labor, for the fiscal year ending June 30, 1932, and for other purposes, and had come to no resolution thereon.

UNEMPLOYED

Mr. LANKFORD of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some remarks of H. H. Frost on the subject of relief of unemployment.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Virginia. Mr. Speaker and Members of the House, you have heard a great deal of discussion on the subject of unemployment and how best to provide for it. The American people want to work and they prefer to work for their daily bread rather than to have it given to them.

Many plans have been advanced for the relief of the unemployment situation, and those measures which distribute the employment most generally, it seems to me, should meet with immediate favor.

Of course, the mere giving of employment without performing necessary and essential work is uneconomical, but where both essential work can be performed and general employment result, the ideal for the present has been met.

I am submitting herewith an article on the subject of the essential needs of the Navy Department in developing an adequate defense, which shows clearly how broadly benefits would be distributed from this work.

BATTLESHIPS AND UNEMPLOYMENT

By Commander Holloway H. Frost, United States Navy

The Battle of Jutland taught many lessons in ship design. The British hastened to increase the defensive strength of their battle cruisers against long-range shellfire by the thickening of their horizontal armor. The narrow escape of the *Marlborough*, which was hit by a single torpedo, confirmed the underwater weaknesses of the British battleships—already indicated by the sinking of the *Audacious* by a mine. To the ships already built they attached what was virtually another underwater hull—called bulges or blisters. In vessels built after Jutland, increased emphasis was given to both armor and underwater protection. They considered this new construction so greatly improved that there was a disposition for a time to consider it in an entirely distinct category—post-Jutland ships.

After Jutland a new menace to the capital ship made its appearance, the airplane with its bombs. These bombs might either penetrate the decks and horizontal armor and explode in the ship's vitals or it might detonate in the water close to the hull, thus causing leaks and possibly throwing out of line the propeller shafts and rudder. These threats made necessary a further thickening of the horizontal armor, an additional strengthening of the underwater hull, and the installation of a battery of antiaircraft guns. The use of airplanes for observing naval gunfire increased greatly the distance at which it could be made effective. This caused a desire to elevate the turret guns to a greater angle so that they could fire at increased ranges.

To allow for these necessary modifications in capital ships the Washington treaty permitted the addition of 3,000 tons to each ship. The British have modernized all the 15 ships allowed by the London treaty except the *Barham*. Of our 15 battleships, seven have been modernized. The Navy Department has announced its desire to modernize the next three, *Mississippi*, *New Mexico*, and *Idaho*. These vessels were laid down in 1915. Thus they are pre-Jutland ships. Their modernization will bring us close to parity with the British in capital ships. It is essential that it be commenced at an early date.

Our remaining battleships—five in number—were laid down between 1916 and 1919. While these vessels have considerably more defensive strength than their predecessors, the modernization of two, and probably five, will ultimately prove necessary. This will permit us to equalize the advantage which the *Rodney* and *Nelson* now give the British. It will also further an agreement increasing the life of battleships to 25 or even 30 years with resultant great economy.

The building of naval vessels is an important remedy for the unemployment situation. Into naval construction go every kind of material and workmanship. It involves every industry and every section of the country. For example, take the new 10,000-ton cruisers, Nos. 32, 34, and 36. These ships are being built in the Government navy yards at New York, Philadelphia, and Puget Sound. The construction of these vessels gives steady employment to a large number of workmen over a period of three or four years. In addition to the men employed on the ships themselves in the above three navy yards much of the equipment with which they are supplied and the material from which they are fabricated provide employment for workmen in other sections of the country.

Much of the equipment comes from other navy yards. For instance:

Guns—Navy yard, Washington, D. C.

Torpedoes—Torpedo station, Newport, R. I.

Anchor chains and cordage—Navy yard, Boston Mass.

Boats and metal furniture—Navy yard, Norfolk, Va.

The rest of the equipment and all of the material used in the fabrication of the ships is obtained from private contractors. I have before me a list showing the more important contracts. It is far too long to include here, but it may be of interest to list the States from which the more important items are furnished. Here are a few:

Steel: Pennsylvania, Maryland, Delaware, New York, West Virginia.

Rivets: Ohio, Illinois, Pennsylvania.

Wood: Massachusetts, Oregon.

Main engines: Pennsylvania.

Boilers: Ohio, New Jersey.

Motors: New Jersey.

Optical equipment: New York, New Jersey.

Compasses: New York, Massachusetts.

Powder tanks: New Jersey, Pennsylvania.

Wire: New Jersey, New York, Illinois.

Searchlights: New York.

Electrical equipment for fire control: New York.

Telephones: Illinois.

This list includes only the main factory of each contractor. In some cases they have factories in 12 States and may have distributed their work among all of them. In addition to the States already listed the following may, therefore, be added as probable beneficiaries of the ship-building program: Tennessee, Michigan, Connecticut, Kentucky, Indiana, Alabama, California, and Missouri.

If we carry this study a step farther we will see that the raw material for the various manufactured articles provided by the contractors come from still other States. And to bring the raw material to the contractors the railroads and shipping of even other States are required. To mention only one example, iron ore must be mined in Minnesota or Wisconsin and carried by Great Lakes steamers to the eastern States to be made into steel. Thus, directly or indirectly, the construction of naval vessels provides employment for workmen of every trade and every section of the country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—
Mr. WAINWRIGHT, for two days, on account of important family business.

Mr. MANSFIELD, for an indefinite period, on account of illness.

Mr. HANCOCK of North Carolina, until Monday afternoon, on account of sickness in family.

ENROLLED BILL SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9991. An act to fix the salary of the minister to Liberia.

ADJOURNMENT

Mr. ACKERMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 46 minutes p. m.) the House adjourned to meet tomorrow, Saturday, January 17, 1931, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, January 17, 1931, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

To authorize the withdrawal of certain public lands from entry under the homestead and desert land laws of the United States for the protection of the watershed supplying water to the city of Los Angeles, Calif. (H. R. 11969.)

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

780. A communication from the President of the United States, transmitting an amendment to the estimate of ap-

propriation for the Federal Power Commission in the Budget for the fiscal year 1932, page 32 (H. Doc. No. 719); to the Committee on Appropriations and ordered to be printed.

781. A letter from the Secretary of War, transmitting a draft of a joint resolution to authorize the acceptance of a bequest to the Army Medical Museum and the Army Medical Library; to the Committee on Military Affairs.

782. A letter from the Secretary of War, transmitting a draft of a bill to authorize the acquisition of land in connection with the water supply of the United States Military Academy at West Point, N. Y.; to the Committee on Military Affairs.

783. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year 1932, to be immediately available, in the sum of \$1,500,000 for beginning the construction of the first unit of the municipal center (H. Doc. No. 720); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 15877. A bill to authorize exchanges of land with owners of private-land holdings with the Craters of the Moon National Monument; without amendment (Rept. No. 2286). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. S. 4149. An act to add certain lands to the Ashley National Forest in the State of Wyoming; without amendment (Rept. No. 2289). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. H. R. 8999. A bill for the relief of Miguel Pascual, a Spanish subject and resident of San Pedro de Macoris, Santo Domingo; without amendment (Rept. No. 2283). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9003. A bill for the relief of Rose Fefferman, administratrix of the estate of Adolph Fefferman, deceased; without amendment (Rept. No. 2284). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. S. 896. An act to pay the Pioneer Steamship Co. the sum of \$3,100.50, money paid as duty for repairs in foreign ports; without amendment (Rept. No. 2285). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 1827. A bill for the relief of the dependents of Max Grady Sullivan, deceased; without amendment (Rept. No. 2287). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 10643. A bill for the relief of Charles D. Jeronimus; with amendment (Rept. No. 2288). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 14486) granting a pension to George E. Hilgert; Committee on Invalid Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 16187) granting a pension to Eudora Elkins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT: A bill (H. R. 16245) to provide for the acquisition of a site for a building to be occupied by the General Accounting Office and to create a commission to provide for the submission to the Congress of preliminary plans and estimates of costs for the construction of a building to be erected thereon; to the Committee on Public Buildings and Grounds.

By Mr. KEMP: A bill (H. R. 16246) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 16247) to provide for the use of patents and for the acquisition of patented articles at a reasonable price by the United States and agencies thereof; to the Committee on Patents.

By Mr. ELLIOTT: A bill (H. R. 16248) authorizing the Secretary of War to exchange with the Rosslyn Connecting Railroad Co. lands on the Virginia shore of the Potomac River near the west end of the Arlington Memorial Bridge; to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Idaho: A bill (H. R. 16249) to provide for the disposition of power revenues on Federal irrigation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. McCORMACK of Massachusetts: A bill (H. R. 16250) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 16251) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 16252) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. UNDERWOOD: A bill (H. R. 16253) to authorize the erection of an addition to the existing Veterans' Bureau Hospital Plant No. 97 at Chillicothe, Ohio, and to authorize the appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. HOWARD: A bill (H. R. 16254) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16255) for the relief of the Omaha Indians residing in school district No. 16, Thurston County, State of Nebraska; to the Committee on Appropriations.

By Mr. SANDERS of New York: A bill (H. R. 16256) to fix more equitably the responsibility of postmasters; to the Committee on the Post Office and Post Roads.

By Mr. TILSON: A bill (H. R. 16257) to authorize enlargement of the Veterans' Bureau hospital in the State of Connecticut; to the Committee on World War Veterans' Legislation.

By Mr. JONES of Texas: A bill (H. R. 16258) to authorize loans to farmers in the drought and/or storm stricken or hail-stricken areas or other areas of the United States for use in making payments on loans from Federal land banks; to the Committee on Agriculture.

By Mr. MOORE of Virginia: Joint resolution (H. J. Res. 469) to amend joint resolution approved December 20, 1930, for the relief of farmers in drought and/or storm stricken areas of the United States; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 16259) granting an increase of pension to Martha J. Beal; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 16260) granting an increase of pension to Jane A. Campbell; to the Committee on Invalid Pensions.

By Mr. BAIRD: A bill (H. R. 16261) granting an increase of pension to Sarah E. Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16262) granting a pension to Caroline Burton; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 16263) granting an increase of pension to Margret E. Gulden; to the Committee on Invalid Pensions.

By Mr. DALLINGER: A bill (H. R. 16264) for the relief of Samuel Marobelli; to the Committee on Military Affairs.

By Mr. FINLEY: A bill (H. R. 16265) granting an increase of pension to John Baker; to the Committee on Pensions.

Also, a bill (H. R. 16266) granting an increase of pension to William G. Jones; to the Committee on Pensions.

Also, a bill (H. R. 16267) granting a pension to Jane Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16268) granting a pension to John B. Ellis; to the Committee on Pensions.

By Mr. FITZGERALD: A bill (H. R. 16269) granting an increase of pension to Mary Baker; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 16270) granting a pension to May Bell Son; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 16271) granting a pension to Mary Cornelia Carrol; to the Committee on Pensions.

Also, a bill (H. R. 16272) extending the time for consideration of application for retirement of Otis L. Sims under the emergency officers' retirement act; to the Committee on Military Affairs.

By Mr. HALE: A bill (H. R. 16273) granting an increase of pension to Almira A. Flanders; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 16274) granting an increase of pension to Isaac I. Deems; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 16275) for the relief of Horace G. Knowles; to the Committee on Claims.

By Mr. KURTZ: A bill (H. R. 16276) granting an increase of pension to Rachel Corl; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 16277) granting a pension to Mrs. J. L. Clinkinbeard; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 16278) granting a pension to James Combs; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 16279) granting a pension to Grace A. Mael; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 16280) granting an increase of pension to Sarah C. Cleaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16281) granting a pension to Edith L. Shultz; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 16282) granting a pension to Rose M. Young; to the Committee on Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 16283) granting an increase of pension to William M. Mitchell; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 16284) granting a pension to Mariah E. Groom; to the Committee on Invalid Pensions.

By Mr. HARCOURT J. PRATT: A bill (H. R. 16285) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

By Mr. HENRY T. RAINEY: A bill (H. R. 16286) granting a pension to Mary E. Ranson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16287) granting a pension to Minnie Winters; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 16288) for the relief of Emanuel V. Heidt; to the Committee on Military Affairs.

By Mr. RUTHERFORD: A bill (H. R. 16289) for the relief of the Crawford Nurseries; to the Committee on Claims.

Also, a bill (H. R. 16290) for the relief of the Concord Nurseries; to the Committee on Claims.

Also, a bill (H. R. 16291) for the relief of the Pike County Nurseries; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H. R. 16292) for the relief of James Laird; to the Committee on World War Veterans' Legislation.

By Mr. VESTAL: A bill (H. R. 16293) granting an increase of pension to Fred G. Pettigrew; to the Committee on Pensions.

By Mr. WHITLEY: A bill (H. R. 16294) granting an increase of pension to Katherine Shaffer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16295) granting an increase of pension to Emma L. Tunstall; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8616. By Mr. BLOOM: Petition of residents of New York State, urging the passage of House bill 7884, providing for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8617. By Mr. BRUNNER: Resolution of the Long Island Chamber of Commerce, New York, opposing transfer of all or any part of the New York State Canal system to Federal Government under terms and conditions of rivers and harbors act of July 3, 1930; to the Committee on Rivers and Harbors.

8618. By Mr. CRAWL: Petition of many citizens of Los Angeles County, Calif., favoring the passage of House bill 7884, for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8619. By Mr. CULLEN: Petition of Trades and Labor Council, of Wichita Falls, Tex., indorsing the move of the Independent Oil Operators for their plea for an embargo on crude oil and its by-products from foreign countries, and supported by the Carpenters' Local Union, No. 977, Painters' Local Union, No. 393, the Retail Merchants' Association, and other like organizations; to the Committee on Ways and Means.

8620. Also, petition of the port and waterways committee of the Long Island Chamber of Commerce, opposing the transfer of all or any part of the New York State Canal system to the Federal Government under the terms and conditions set forth in the rivers and harbors act of July 3, 1930; to the Committee on Interstate and Foreign Commerce.

8621. Also, petition of New York State Holstein-Friesian Association, urging the suspension of the recent ruling of the Commissioner of the Bureau of Internal Revenue that unbleached palm oil may be used in the manufacture of oleo; to the Committee on Agriculture.

8622. By Mr. HILL of Washington: Petition of Dan Shaser and other residents of Cashmere, Wash., asking for the passage of House bill 15489, providing for increase of pensions to Indian-war veterans; to the Committee on Pensions.

8623. By Mr. KIEFNER: Petition of A. B. Bourne, W. A. Gordon, et al., of Bunker, Reynolds County, Mo., urging the enactment of legislation for the immediate payment of adjusted compensation to World War veterans; to the Committee on Ways and Means.

8624. Also, petition of William M. Simpson, et al., of Potosi, Washington County, Mo., urging payment in lump sum of adjusted compensation to veterans of the World War; to the Committee on Ways and Means.

8625. Also, petition of members of the American Legion Post, No. 185, Greenville, Wayne County, Mo., urging the passage of legislation for the payment of the adjusted compensation to all World War veterans; to the Committee on Ways and Means.

8626. By Mr. FRANK M. RAMEY: Petition of the American Legion Department of Illinois, for payment of full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

8627. By Mr. RAMSPECK: Petition of 408 veterans of the World War of Atlanta, Ga., requesting Congress to enact legislation providing for the immediate payment of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

8628. By Mr. TEMPLE: Petition of Parent-Teachers Association, of Waynesburg, Pa., urging enactment of the Hudson

motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

8629. By Mr. WELCH of California: Petition of citizens of the fifth congressional district, San Francisco, Calif., urging the enactment of House bill 7884; to the Committee on the District of Columbia.

8630. By Mr. WILLIAMS: Petition from the Trades and Labor Council of Wichita Falls, Tex.; Carpenters Local Union, No. 977; Painters Local Union, No. 292; Retail Merchants Association; and other like organizations, indorsing the move of the independent oil operators for an embargo on crude oil and its by-products from foreign countries; to the Committee on Ways and Means.

8631. By Mr. YATES: Petition of Rev. P. G. Van Zandt, pastor First Baptist Church, Joliet, Ill., urging the passage of legislation whereby only citizens should be counted in determining the representation in Congress; to the Committee on the Judiciary.

8632. Also, petition of J. A. Del Mar, 903 Michigan Avenue, Evanston, Ill., urging the House of Representatives to pass Senate bill 4123, for refinancing of levee drainage of southern Missouri; to the Committee on Irrigation and Reclamation.

8633. Also, petition of H. B. Hill, president Abraham Lincoln Life Insurance Co., Springfield, Ill., urging the passage of the Glenn-Smith bill, which has passed the Senate and is now before the House of Representatives; to the Committee on Irrigation and Reclamation.

SENATE

SATURDAY, JANUARY 17, 1931

(Legislative day of Monday, January 5, 1931)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

LITTLE BAY BRIDGE, NEW HAMPSHIRE

Mr. MOSES. Mr. President, yesterday, by unanimous consent, on a report from the Committee on Commerce, I secured the passage of the bill (S. 5688) granting the consent of Congress to the State of New Hampshire to construct, maintain, and operate a toll bridge or dike across Little Bay at or near Fox Point. Upon examining the text of the bill I discover the form used in transcribing it is erroneous and that the words "or dike" should be added wherever the word "bridge" occurs in the bill. I ask unanimous consent for a reconsideration of the votes by which the bill was read the third time and passed and that the amendments may be adopted.

The VICE PRESIDENT. Without objection, the votes by which the bill was ordered to a third reading, read the third time, and passed will be reconsidered, and the amendments will be made; and, without objection, the bill as amended will be passed.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	George	McKellar	Smith
Barkley	Gillett	McMaster	Smoot
Bingham	Glass	McNary	Steck
Black	Glenn	Metcalf	Steiwer
Blaine	Goff	Morrison	Stephens
Borah	Goldsborough	Morrow	Swanson
Bratton	Gould	Moses	Thomas, Idaho
Brookhart	Hale	Norbeck	Thomas, Okla.
Bulkley	Harris	Norris	Townsend
Capper	Harrison	Nye	Trammell
Caraway	Hastings	Oddie	Tydings
Carey	Hawes	Partridge	Vandenberg
Connally	Hayden	Patterson	Wagner
Copeland	Hebert	Philpotts	Walcott
Couzens	Heflin	Pine	Walsh, Mass.
Cutting	Howell	Pittman	Walsh, Mont.
Dale	Johnson	Reed	Waterman
Davis	Jones	Robinson, Ark.	Watson
Deneen	Kean	Schall	Wheeler
Dill	Kendrick	Sheppard	Williamson
Fess	Keyes	Shipstead	
Fletcher	Kling	Shortridge	
Frazier	McGill	Simmons	